

# The National Underwriter

A WEEKLY NEWSPAPER OF INSURANCE

THURSDAY, APRIL 1, 1926



*A general view of the city of Murphysboro, Illinois, after it had been struck by a tornado on March 18, 1925. Hundreds were killed or injured, and millions of dollars worth of property was destroyed.*

1925 demonstrated very tragically and rather thoroughly the fact that tornadoes know neither season nor place.

After the damage has been done, don't give your clients a chance to say "Well, why didn't you tell me about tornado insurance? Why didn't you tell me that I was liable to need some?" *Tell them now, and tell them often.* Let them know that the North River and the United States Fire are in a position to offer them Broad Contracts at a Very Small Cost. Let them know further that you are providing safe insurance protection, and a guaranteed dependable service that is above reproach.

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| <b>So. Dakota</b>      | —E. M. Zuel & Co., Gen. Agts., National Citizens Bank Bldg., Mankato, Minn.         |
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# The National Underwriter

## *Hail and Tornado Insurance Number*

UNDOUBTEDLY the most important development of the year in hail insurance and the most important in many years at that, is the recognition by hail writing companies generally that the ills of the business, long bemoaned and treated by every manner of "remedy" in the past, are concentrated in the adjustment side of the business and the consequent co-operative campaign now being carried on by these companies to right the situation and put the business in the profit class once and for all. The hail insurance business has gone from bad to worse in recent years and every form of experiment has been tried individually and collectively to check the losses and at the same time add to the business placed on the books. Last year's experience was not as disastrous as that of the previous year, but it was still far from the profit class and needful of improvement.

NOW, however, the companies have agreed that the trouble is more in the adjustment end of the business than in any other department. They have joined forces and are now opening a campaign to cover the entire hail territory as a unit, in a move to eradicate all of the bad practices of the past and set up a new outlay of rules and regulations that will prevent a recurrence of the present situation. They are agreed that, despite the showing made by the figures of the past few years, hail insurance can and should be written at a profit, the excessive losses coming from payments not due, rather than from legitimate hail losses. The companies stress the point that they do not wish to take one penny from the check that goes out to cover a legitimate loss, but they do wish to stop the payment of fake claims and those not properly adjusted.

AS a result, a special advisory committee on adjustments appointed by the Hail Association at the last annual meeting, is now taking the field with

the view of bringing every hail adjuster in the field into conference between now and the end of April and thus draw up a code of hail adjustments that will reflect the ideas of the entire field and can be strictly adhered to by all in the field. It will not only prevent the repetition of fraudulent claim payments, but, with all adjustments made on a uniform basis, it will prevent misunderstandings from maladjustments. The fact that no two adjusters have followed the same practice in the past has resulted in farmers questioning the basis of hail adjustments in many cases.

THE attention of the hail writing companies will thus be concentrated on adjustments and not production this season. The scramble for volume, not as noticeable in recent years as formerly due to apprehension over the business, will be forgotten and every effort exerted to establishing the business on a sound basis upon which volume can be built in natural course. As a matter of

fact, most companies feel that the net result, even for this year, will be an increase in business and not a decrease, as the improved character of the business will undoubtedly make it much easier to place.

THE actual results for the 1925 season; while not yet in the class that would be liked, did show a material improvement over the 1924 experience and that for previous years. The premiums in the United States showed an increase of 40 percent last year and the loss ratio was considerably reduced. The 1925 total of hail insurance on growing crops in the United States was \$13,728,565 compared with \$9,558,533 in 1924 and the 1925 loss ratio of 62 per cent compares with a loss ratio of 85 percent in 1924 and 94 percent in 1923.

CANADIAN business showed even a greater improvement than that in the United States, business in the provinces showing a profit for the first time in many years. The loss ratio for last

season was only 39 percent, compared with 48 percent in 1924 and 93 percent in 1923. The increase in premiums last year brought the Canadian total back to the old level, 1925 premiums being over \$5,000,000.

ONE of the outstanding events of the 1925 season and probably one of the motivating forces in bringing about concerted action by hail writing companies in improving adjustment practices was the uncovering of wholesale claim frauds in Colorado by which the companies were paying out \$100,000 annually in fake claims in that state alone. That was one of the most flagrant cases of fraudulent adjustments ever unearthed and the companies entered into the investigation of that case heartily, to defend the good name of hail insurance, with the result that a host of confessions were secured in that state in connection with those frauds. Adjustments will be more closely watched in the future to positively prevent this same condition arising in any other field. In fact, the result will be a bolstering up of underwriting practices generally, as the Colorado cases were not only cases of fraudulent adjustments, but of fraudulent policies.

THE other adjustment experiment of last year, the Nebraska Hail Adjustment Bureau, will be continued this season, giving bureau adjustments for that state alone, though even there the uniform code of adjustment practice will be closely followed. This bureau was created last year by the Hail Association to experiment with bureau adjustments in the one state and extend it into other states later, if it proves advisable. It was generally felt that one year was not sufficient to be used as a gauge and thus the work will continue for this season and a decision made as to its continuance or extension will be made at the close of the 1926 work.

On the whole 1925 was not a bad season for actual hail storm losses, though

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it is true that the bad storms occurred at the most dangerous season in most sections, striking the winter wheat belt in May and June and the corn belt in July and August. However, the storms were not of such a character as to have caused a disastrous loss ratio, of themselves. The most damaging storm of the year and the worst in the history of Iowa was incurred in Iowa and a portion of Illinois on August 18. The total loss estimated in that storm alone was \$5,000,000, Henry County in Iowa alone reporting a loss of \$1,000,000. There was only one other storm showing over \$1,000,000 in damage, that being in southern Oklahoma on Oct. 14. There was also serious damage in the Dakotas and Colorado suffered a heavy loss on

melons, but no heavy run of hail storms was experienced.

**T**HE crop outlook for 1926 is very encouraging. Prospects are good in all sections and a good business is anticipated. Kansas is now looking forward to a new record wheat crop, to surpass all previous years, conditions remaining normal to the harvest, and that state alone is reported to be anticipating a 200,000,000 bushel crop. Similar favorable conditions in other localities should result in a gratifying increase in hail coverage for this season. Also, the campaign being carried on by the legal reserve companies for farm business generally should result in the bringing of a good volume of business that went to mutuals back into the fold.

Another promising source of business is to be found in the state funds, which are still losing ground rapidly.

**A**MONG the policy changes effected this year, the most important is the conclusion to incorporate in hail policies written on grain crops a provision that liability will not go into effect until 75 percent of the plants have jointed and attained a height of at least 10 inches, measured from the ground to the tip of the largest leaf. The companies will also continue this year the provision that liability on corn crops will be excluded where the plants have not formed a second joint above the ground. Some minor rate changes have been made, to bring the rates in line with the experience of certain sections. Another

change was the adoption of the cancellation clause which now permits the companies to accept or reject the application within 24 hours after its receipt by the policy writing office. Heretofore the companies could not cancel after the application had run for 72 hours and delay in receipt by mail often prevented cancellation where it was desired.

On the whole, the hail insurance business is stepping off to what, it is believed, will be the most successful season in many years, with gratifying prospects for all interests, the agent with increased business and thus increased commissions, the company with improved underwriting experience and the policyholders with improved handling of the business and hopes for reduced rates if the improvement is material.

# Nebraska Adjustment Bureau Plans

By WALTER D. WILLIAMS

**T**HE Nebraska Hail Adjustment Bureau was created to bring about a better handling of hail losses in Nebraska. This state had been notoriously unprofitable for the hail writing companies for several years past and this condition was brought about because of the lack of co-operation in adjustments and the introduction of competition in adjustments among the companies. This resulted in the perfectly logical outcome of such an activity—the creation of "Hail Farmers."

## "Hail Farmers" Cause of Company Competition

To one familiar with the hail business that term will indicate a farmer who looks to his hail insurance as a subject of profit and due to the cupidity of the companies the "Hail Farmer" has been able to create a competitive feeling between the companies which he has been able to manipulate to his own advantage. In many cases he has also been very ably supported by some of the local agents, particularly those who take notes for premiums and who have been more interested in securing the payment of the notes than they have in the results of their operations for the company.

## Bureau Created to Correct Field Conditions

These conditions became so bad that it was apparent that they either would have to be corrected or the companies would have to abandon hail insurance in Nebraska. It was for the purpose of securing the correction that the Nebraska Hail Adjustment Bureau was organized. The season of 1925 was its

Walter D. Williams is president of the Hail Insurance Association and thus president of the Nebraska Hail Adjustment Bureau, an offspring of the association. The Bureau was created last year as an experiment to rectify conditions in the adjustment field of hail insurance. The old form of Bureau adjustments had been wiped out and competitive, individual adjustments had entered the field instead. Some change was believed necessary and thus the Bureau was created last year to operate in one state only and its results taken as an example for extension of territory. Mr. Williams has written of the work of the Bureau during the past year, and its plans for the coming year as the Bureau has been continued through this season, although the territory has not been extended as yet. Mr. Williams believes that the Bureau has taken a long step toward the correction of many evils in the field and see still greater achievements during the coming hail season.

first and, while it cannot be claimed that it was a perfect organization or that no errors have been made, it did demonstrate clearly the value of co-operation in adjustments, not only its value but its absolute necessity. If an organization of this kind had been in existence in Colorado the companies would not have suffered the humiliating and expensive experience in that state which has been disclosed by recent investigations.

## Adjustments Must Be Kept on Indemnity Basis

Hail insurance, like every other class of insurance, is intended to be indemnity and our rates are made on an "indemnity" basis. In order to confine the business to that basis we must eliminate the competitive features from our adjustments. It is the belief of many mem-

bers of the Hail Association that this can only be accomplished through an activity such as the Nebraska Hail Adjustment Bureau who are expected to adjust hail losses strictly on their merits, without fear or favor, to adjust them intelligently and equitably, but to resist vigorously any attempts at fraud or imposition on the part of the hail claimant or his supporters.

## See Greater Achievements During Coming Season

This movement is very much in favor of the honest farmer, the one seeking only indemnity. In the last analysis he is the one to pay the penalties of any element entering into the adjustments which causes payments in excess of the actual loss.

The Nebraska Hail Adjustment Bureau made a long step toward a correc-

tion of many evils during the 1925 season and we look forward with much confidence to greater achievements and greater improvements during the current season.

## Using Hail Endorsement

**M**ANY agents are writing a good business by making a campaign for tornado business with the hail endorsement. Some agents now make it a point to write the hail endorsement with every tornado policy issued, unless it is absolutely impossible. The additional protection can be written at a very small additional cost and it assures the policyholder of absolute protection from the weather. Great difficulty has been encountered in the past with losses incurred during hailstorms, claims having been filed under tornado and windstorm policies on the grounds that the damage was caused by the wind. Frequently severe windstorms are accompanied or followed by hailstorms and it is difficult for the adjuster to draw the line between damage caused by the elements. With the hail endorsement on the tornado policy, protection is complete, and there is no opening for disagreement and misunderstanding in the case of adjustment. As an indication of the extent to which this is being written, one company alone reports premiums of nearly \$100,000 annually, merely from this hail endorsement. That illustrates the opportunities for the agent in adding to his commission income.



Here is a "before and after" illustration of a heavy tobacco loss in Wisconsin, incurred in a September hailstorm last year. The picture to the right shows the field in its prime, just before the storm, with the high quality leaves standing high and firm. To the left is the field after it was swept by the hailstorm with disastrous results. While the leaves were not totally crushed, they were so damaged



that they could only be used for filler. As this is a wide-leaf field, the crop would have been of unusual value and the salvage as filler could account for only a small proportion of the loss. Tobacco is a tender crop and the wide-leafed variety particularly is subject to serious damage, as only a slight storm may so injure the leaves that they cannot be used for outside wrappers. (America Fore Photo).



# Adjusting Hail Insurance Adjustments

By L. G. WARDER

**D**URING recent years the fact that there is something radically wrong with the modus operandi of hail insurance has become increasingly apparent, and each year the responsibility has become more permanently centered on the loss adjustment side of the business. The experience of the past few years would indicate that hail insurance is a decidedly hazardous coverage and some have even felt that it could never be written with any hope of profit. A careful analysis of the experience, however, would indicate that this conclusion is not entirely correct and that with proper regulations, the business could be taken from the red and put into the profit column. The most serious trouble is in the adjusting of losses. The extremely high loss ratios have not been altogether the result of hail storms, but rather of adjustment storms. Hail underwriters feel that if some means can be found to confine loss payments to losses actually justified and due, a decidedly different story could be told, and that what is most needed to cure the ills of the business is to put loss adjustments on a strictly businesslike basis.

## Wide Variation in Estimates of Losses

If any one is in doubt as to the existence of these undesirable conditions, a perusal of various company loss statistics and reports should act as sufficient evidence. Frequently, a single loss on property carried in more than one company, will show a variance in the adjustment reports of decided proportions. One adjuster may class a field as a 10 percent loss and another adjuster report the same field as a 25

L. G. Warder is manager of the hail department of the Hartford Fire. Mr. Warder is also chairman of the special advisory committee appointed by the Hail Association to draw up a definite adjustment program for the coming season. He has given much of his time in directing the work of this committee and anticipates great results by the end of the 1926 season. His views on the adjustment problems of today and the absolute need for some definite program are shown, in this article. He shows that the attention of all hail underwriters is now focused on this problem and the cooperative efforts of all working in harmony should go far towards putting the class in the profit column.



L. G. WARDER

percent loss. It is evident that neither adjuster is presenting a correct report of the condition of that field. Such results may be merely the effect of an improper understanding of the loss or the policy contract and its provisions, or lack of knowledge or care on the part of the adjusters in determining the amount of hail damage. It is a condition, however, that should not be allowed to continue.

## Small Claims Make Up Bulk of Loss Payments

Another feature that has been very noticeable in the companies' loss records, is that the bulk of the losses come within the range of what might be termed "small percentage claims," and it is in this kind of claims that the companies encounter the majority of all their moral hazard losses. A great many farmers have gotten into a habit of reporting a claim if a hail storm passes anywhere in their vicinity and the fact that practically all growing crops will show some damage that should be rightfully credited to weather conditions or pests of one kind or another, it is up to the adjuster to discover this kind of damage and protect his company against claims of this kind that are reported as hail damage. It is also unfortunately true that a great many hail agents frequently aid and abet the farmer in filing such claims. Those who do this probably do not realize that they are throwing a boomerang at their own business and that they will be the ones to suffer in the long run. The increase in losses from such claims naturally results in increased rates. Increased rates are a burden to the honest farmer who is insuring for protection only, and a disadvantage to the agent, in that it results in decreased business, and naturally, his business will finally bear the burden.

## Adjuster Given Test by Minor Cases

This class of claims brings out the best there is in an adjuster and clearly shows the difference between a good adjuster and a poor one. A field that has been struck by a disastrous hail storm and totally destroyed, does not require much adjustment. However, such cases are comparatively few and the adjuster must, in the majority of

cases, decide just where the hail damage began and where it stopped. He must differentiate between the various kinds and degrees of damage and what is more, he must not only do this individually, but some standard of procedure should be in vogue to guide the entire adjusting field.

## New Plan of Cooperation Seeks to Remedy This

It is in view of this that the Hail Association, through its advisory committee, is undertaking to work out some adjustment program upon which all hail writing companies can cooperate. The advisory committee, created by the Hail Association, is purely advisory, and its rules and regulations will not be mandatory upon the company members. But it is hoped and expected that by working on this plan, even greater benefits will be derived than could be secured from a compulsory adjustment program.

The committee has as its purpose, the devising of ways and means of better cooperation and understanding in handling hail losses and to work out this program, the committee will seek the cooperation of every company representative and adjuster in the field. Regional conferences will be held throughout the territory covered by the association, and those in important hail sections outside of the territory, will be invited to participate in these conferences. In each sectional meeting there will be a general discussion of the purposes and possibilities of effective work along this line and every phase of the problem will be considered. The advisory committee will make the circuit of these meetings and upon their conclusion, draw up the final report in the form of suggestive rules and regulations for the proper handling of hail adjustments. This report will be distributed to all interested in this problem.

## To Give All Adjusters Analysis of the Policy

The hail application and the policy contract itself will be thoroughly discussed and explained, so that it can be easily determined and understood what the company's liability is in accordance with the contract. It has frequently been found that there was a misunderstanding even on the part of the adjuster, who was out in the field to interpret the policy contract and did not fully

understand all of its provisions. An understanding of the application of the policy contract should be the foundation upon which everyone in the hail insurance business, whether in the underwriting end of the business or in the adjustment work, should base his program.

## Will Develop Standards to Guide in Adjustments

From this the discussion will lead to the phases of the work in which the adjusters are particularly interested, one of the most important being the proper and practical methods of determining the amount of loss from various crops. Corn, small grain, flax, fruits and vegetables, vines, cotton and tobacco will be taken up separately and also as inter-related. The relationship between the various losses is an important item. When a hail storm hits a field that is planted various kinds of grains, the adjuster must be able to know the percentage of loss on each of the different crops and not consider the field as a single unit. Company offices are often in receipt of adjustment reports which show a flat percentage of loss for the entire field, in which there are various kinds of crops included and it is hardly reasonable to suppose that all crops of various kinds will be damaged to the same percentage extent. This is evidence that the adjuster had not covered the entire field and determined the amount of loss incurred on each of the various crops. One crop might show a loss of 50 percent, while the crop in the next field might only suffer a loss of 15 percent, not due to any difference in the storm condition, however, but to a difference in



Corn is one of the most hardy plants in the hail zone, so that when a corn field is ruined by hail, it is very possible that the grain and other vegetation in the immediate vicinity was totally wiped out. The field above shows the transformation of a few minutes of heavy hail. This Minnesota field was standing high and progressing nicely with every assurance of permitting its owner to join in the enjoyment of a bumper crop last year. On Aug. 3, however, a mid-summer hail storm which struck Minnesota, wiped out this crop as it did many others throughout the northwest. (America Fore Photo).



This melon field at Rocky Ford, Colo., would have been a total loss to the owner, had it not been for the hail insurance which was carried. This was a vast expanse, as far as the eye could see, of rich foliage, with only an occasional melon showing prior to the early August storm which swept Colorado. After the storm had cleared, the field was bared of the vegetation and the melons stood out in great numbers, though potted by the hailstones, as seen in the foreground. Those that were not yet ripe could not ripen and the ripe melons were damaged to such an extent that they could not be marketed. (Photo from Hartford Fire).

the hardness of the crop. Also, the storms are often freaks in nature, so that one part of a field may be totally destroyed, while another is only slightly damaged and thus a means of "sampling" the entire field should be worked out by the adjuster.

#### Many Phases of Cooperation Will Be Considered

Many other questions will come up at these conferences. There will be a discussion on proper and uniform blanks and how to use them in showing and proving how an adjuster determines a loss. The possibility of fraudulent claims and how they can be detected and avoided will be considered. An important place on the program will be given to the question of the relation of the adjuster to the local agent. Also importance is attached to the subject of the proper cooperation of adjusters. The assistance special agents of the companies can give in bringing about a better cooperation and understanding of the handling of hail losses will also be considered.

#### Anticipate Hearty Response Will Be Given the Move

It is anticipated that every hail writing company will urge its representatives and adjusters to cooperate in these discussions and that every hail insurance man in the field will be present at one or another of these sessions. With every adjuster in the field and with every company representative given an opportunity to express his views on hail adjustments, the committee should be in position at the conclusion of this circuit to compare a set of instructions for adjusters that should be representative of the best in the business. These instructions will be drawn up and sent to every adjuster in the field. With an extension of this spirit of cooperation throughout the field, the results should prove more than gratifying.

#### Some Adjustment in Practices Is Badly Needed

Careless and fraudulent hail adjustments will have to be eliminated, if the companies are to bring hail insurance where it belongs, in the profit column. Hail insurance, rightfully, should not be considered a particularly hazardous line, as far as legitimate losses are concerned, but in recent years it has unfortunately been relegated in recent years to the class of extra hazardous coverage as a result of mal-adjustments. Not only carelessness and a variance of adjustment practice has been found, but the gross irregularities on the part of some in Colorado have brought us to a realization that it is time for some radical improvement in field practices. There has been much talk in the past of this or that possible change, but some definite program in which every hail writer can cooperate, such as this advisory program, is the first step in the right direction. As mentioned before, there is no provision for the management and direction of the affairs of the individual company or adjuster to be assumed centrally, but in view of the deplorable state of affairs in the business, it would seem that everyone would cooperate in working out this program.

#### Analyzes Corn Losses

A most complete analysis of adjustments on corn losses is given in a 40 page brochure written by George S. Hansen, special agent for the North America in Minnesota, which will be used as a basis for the instruction of all adjusters in hail territory. The advisory committee of the Hail Association is making use of the booklet at its regional conferences. The subject is handled in detail and all of the technicalities of the matter of corn loss adjustments are ably discussed. The importance of the work is shown by the statement in the foreword that the corn crop of the country is worth any other two crops put together.

## Equitable Adjustments and Not "Satisfying Ones" Are Needed

By GROVER C. EDWARDS

Grover C. Edwards, hail special agent and adjuster for the American Eagle in Minnesota, is one of the most highly regarded by his company and by his fellow workers in the field. Mr. Edwards has summed up the essentials of what should be in the mind of the adjuster who handles hail claims. He believes that the quality and type of adjustment carried out by any organization depends upon the personnel and thus the attitude of the adjuster, who is the company so far as the claimant is concerned, is of first importance. In this article Mr. Edwards seeks to impress upon the minds of those handling adjustments that equitable adjustments are always to be sought and not merely adjustments that will satisfy the claimants regardless of conditions.

ALL men having the best interests of the hail business at heart are working more or less on the idea of more definite and concise schedules for the guidance and justification of specific adjustments under the many variations of hail injury in connection with and during the many stages of plant growth.

#### System Is Fundamental to Sound Adjustments

While we are convinced that the quality and type of adjustment carried out by any organization would always depend very largely on the personnel of the men actually doing the work, nevertheless, regardless of how well an adjuster may know his "stuff," unless some uniform system of arriving at actual loss be developed and this system be backed by scientific principles and practical authoritative investigation, hail loss adjustments will always remain more or less of a hit or miss proposition.

#### Five Hundred Factors May Enter Into Case

Having in mind the general botanical characteristics of the growing plant and armed with just ordinary common sense and reasoning power, it would seem a comparatively simple matter to determine approximately the mechanical damage a particular crop had sustained through the rigor of a regular hail-storm. However, when we stop to con-

sider the fact that hail is just one factor, while there are some 500 other factors, including those of insects and disease, any one of which in sufficient number or spread may utterly ruin the particular crop attacked, also cultural methods employed oftentimes make for the difference between a maximum and partial crop production, a more complicated problem awaits.

#### "Invisible Damage" Is Most Troublesome

Few adjusters are there who have not run up against the old last stand argument of "invisible damage." However, in the vocabulary of one famous in the history of many grueling hail campaigns, we feel safe in saying, "There ain't no such animal." In connection with oats and corn especially we hear a good deal of invisible damage, perhaps due to the fact that these two plants, corn especially, show the results of cross pollination. The contentious claimant will say perhaps that the hail hit the corn or oats as the case may be at a time when the pollen was about to fall, ruining tassels or styles and blossoms in such a way as to prevent fertilization, resulting in empty oat shells and vacant kernel spaces. Go back over the botanical structure of plants involved and you will agree that in order to mechanically injure either the corn or oat organs of fertilization to such an extent that their

functioning powers are partially or wholly impaired, other scars and abrasions on much less protected parts of the plant will be clearly visible to the observing eye.

There are perhaps more overpayments on shelled grain, and with honest intention too, than on most any other form of damage. However, in the case of shells or shattered grain we have gone a long way toward a fair adjustment when we have determined the actual amount of grain on the ground. All that remains is to determine the percentage of this loss which may reasonably be laid to the action of the hail.

There will come times, of course, when we shall have to fall back on our natural reasoning ability in drawing the line between actual hail damage and other causes. For example, we may determine the actual percentage of shattered or shelled grain on the ground and willingly assume that the damage was caused by hail, providing there is evidence of hail having hit on stems, leaves and branches. In the absence of this telltale damage to the plant proper, it is only reasonable to assume that the damage may have been brought about by causes other than hail, such as wind, rain and disease.

#### Insect and Pest Damage Is Great

Damage to crops by large insects, such as grasshoppers, is readily observed. But much injury by other insects, smaller in size, may go unnoticed. Insect attacks on small grains are really insidious in nature. The whole amount of insect damage to crops is usually not appreciated, because it is not clearly evident to the eye. A large share of the crop may be infested with the Hessian fly or the wheat stem sawfly, but with little evidence of infestation that is externally visible.

Considerable of the damage by insects may also be potential. In addition to the direct loss to the plant caused by the insect feeding upon them, the stems often are so weakened that they blow over easily in the presence of strong winds. Many tiny insects feed within the stems of farm crops, the nature of the damage done not always being readily apparent.

#### Equitable Adjustments the Aim of Adjusters

The 1926 hail contract accepts no liability on corn until the second joint is clearly visible above ground, nor small grains in the grass stage. Nevertheless the successful adjuster of hail losses, aside from being diplomatic, firm and even tempered, should be so well versed on agricultural subjects that he shall at times have sound reasons for refusing to accept liability under specific conditions. Oftentimes a claimant will send in an extreme loss claim and with honest intention. Unless the individual is a chronic contentious premium retriever, there is little or no real necessity for leaving him in a bad frame of mind, nor is it necessary to pay more than the merits of the claim demand. Put the adjustment where it belongs and take time to show him how and why you arrive at a certain percentage. If the claim is reasonable and the work has been thorough, you will leave a satisfied patron and a future booster in 98 percent of the cases. The other 2 percent are very likely in the chronic contentious class and it is of little concern whether you leave them happy or not. If they are dissatisfied with an honest and equitable adjustment, the sooner they cease taking on hail coverage the better it is for all concerned. However, after all is said, the policyholders are paying the freight and consequently they are entitled to a fair hearing and consideration at all times. If it is possible to retain their business and good will through good adjustment work and a little time spent in explaining the whys and wherefores, our efforts are more than worth while.

## Field Conference Schedule

THE series of conferences which the special advisory committee on adjustments of the Hail Association is holding throughout the hail territory, opened March 27 at Wichita, Kans., and the busy schedule will continue until Apr. 17, when the conference at Minneapolis will conclude the series of outside meetings. After that time the advisory committee will meet in Chicago to sum up its findings and also confer with adjusters and representatives of all sections not covered by the group meetings. The advisory committee, which will make the rounds of the hail territory in its work, is composed of L. G. Warder, chairman, J. B. Cullison, Jr., Aetna, Springfield and North America; Jacob Nelson, America Fore companies; C. E. Parks, National of Hartford; John Peterson, Great American and H. A. Sundberg, Westchester, Providence-Washington, Hudson. In addition President Walter Williams of the Hail Association will cooperate with the committee in working out its program. Mr. Williams will have charge of the conference at Omaha, Nebr., where the Hail Association will have its Nebraska Adjustment Bureau in operation, and will also meet with the committee in Chicago. At the conclusion of these conferences, a definite adjustment program will be worked out and a set of standards for field adjustments will be promulgated by the committee for the use of all hail insurance adjusters. The schedule of regional meetings is as follows:

March 27, Wichita, Kans., for company representatives from Kansas and Missouri.

March 29, Oklahoma City, Okla., for adjusters and company representatives of Oklahoma, Arkansas and Texas.

April 6-7, Omaha, Nebr., for adjusters of the Nebraska Hail Adjustment Bureau, this being in charge of President Walter Williams.

April 8-9, Denver, Colo., for adjusters and company representatives from New Mexico, Colorado and Wyoming.

April 12-13, Great Falls, Mont., for adjusters and company representatives in Montana.

April 15, Fargo, N. Dak., for adjusters and company representatives in North Dakota.

April 16-17, Minneapolis, Minn., for adjusters and company representatives in Minnesota and Wisconsin.



# Moral Hazard in the Hail Business

By JOHN PETERSON

EVERY variety of crookedness such as connivances, conspiracy, forgery, and misrepresentation has been discovered and uncovered for a number of hail writing companies in Colorado. The writer is in a position to explain some of the details and actions inasmuch as he assisted to some extent in this investigation.

## One Bank Agency Forged \$75,000 Claims

In one case it was found that through the officers of a small bank, who were agents for a number of companies, the frauds on the companies from forgeries of applications and loss drafts will probably exceed \$75,000. It has been found that this agency has friendly relations with company adjusters and in connivance they would write applications on certain people living in that territory without their knowledge, and prepare a note and application. Then in due time they would forward a forged loss notice to the company's office. This forged loss notice signature was, also, inserted by the agent. In due time the adjuster would arrive, proof would be signed apparently by the proper party, but in fact proof would be prepared by adjuster and signature forged by the agent. Loss draft was either issued at the time by the adjuster or the proof sent to the company office. In due time the loss draft would be issued by the company, and returned to the agent. Agent would again forge signature on loss draft. The draft was then put through their own bank and shortly presented to the company for payment. The agents and the adjuster would then divide the entire amount in accordance with specific agreement.

## Fraud Easily Uncovered As Soon As Approached

This fraud was very readily uncovered as soon as investigators approached the supposed assured. When they were consulted as to their hail losses many of them stated that they did not carry hail insurance due to the fact that the rate was exorbitant, or that they had lived in that territory a number of years and their crops were not at any time damaged by hail. Then the investigators would show them the copy of application, notice of loss, proof of loss, and a loss draft in which they were credited with drawing from one to three thousand dollars yearly.

This, of course, would immediately bring denial of ever having hail insurance. They were ready and willing to make affidavit to that effect, inspectors of the Post Office Department securing many of them.

## Bank Records Frequently Used for Forgeries

Apparently the forgeries would be very easily handled by the agents as in most cases the supposed assureds at some time or other had done business with the bank and their signature was in the bank's files. In that way they could copy signatures so that in the general run of business forgeries would not be discovered.

As near as can be ascertained these agents played fair with the associated crooked adjusters, and would divide the plunder in accordance with their agreement. Sometimes it was 50-50, and in other cases payments on old notes were allowed, and some cases where the general agents were interested they were successful in getting some bad notes paid.

But in case a new adjuster arrived, a man with whom they were unfamiliar and were unable to approach, they immediately sent a stool pigeon to a certain field, severely damaged by hail, then in due time drive this adjuster out and going through the hills he would invariably

John Peterson is manager of the hail department of the Great American and is probably best acquainted with the Colorado situation, which has been one of the most flagrant cases of fraudulent adjustments ever encountered, of all hail department officials, as he was on the ground during the investigation which unearthed the unpleasant situation there. He has spared no words in describing the entire matter and has at the same time directed the attention of agents, adjusters and underwriters to some of the essential phases to be watched in the future, to prevent the recurrence of a similar condition. Mr. Peterson has shown the importance of the moral hazard factor in hail insurance, but has also indicated that the work now undertaken by the companies will reduce this to a minimum in the future.

ably lose his sense of direction, or possibly took too much for granted that the agent was taking him to the right field. This crop being severely damaged it would always be easy to come to an agreement, and the adjuster allowed a heavy loss. In many cases where we came to investigate conditions of this kind we found that the policy would cover on other fields possibly six, twelve or eighteen miles from the hailed crop on which the adjuster made the actual allowance.

## In Some Cases Agents Doubled on Policies

Apparently those same agents would have a couple of companies in which they would write legitimate hail insurance, and in this case loss would be adjusted on its merits or nearly so. The experience of those companies and this company in such cases would be satisfactory. In fact we have found cases where the assured himself would draw a 5 to 10 per cent loss and apparently be satisfied. The fake policy prepared by the agent on the same crop by the same name would apparently produce a claim almost total. All of the money received under the fake policy would be divided between the adjuster and the agent.

Same conditions prevailed in several parts of the state but not to such a large extent. However, it appears that fraudulent payment of those losses, insurance taken out after the storm, and

every other kind of irregularity was common practice in Colorado.

## Estimate Annual Cost In Colorado at \$100,000

From what we could learn of the irregularities we feel that the companies' contribution through crooked adjustments in Colorado was in excess of \$100,000 yearly on about a \$650,000 premium income, which added to the regular run of losses would naturally make a sad experience in the state as a whole. When this became known to the State and Federal authorities they immediately started an investigation with the result that several of the interested parties were arrested. Some were able to secure bond and are now out on bail. It is altogether likely that a great many others will be tried as a result of irregularities in their dealings.

Apparently most of the companies were very much interested in the cleaning up of this crookedness in the insurance business, but we do find some companies that feel that they could probably gain some minor benefit by criticising an investigation of this kind.

## Moral Hazard as Vital Cost Factor

It is our opinion, however, and has been for a number of years; that the hail hazard is not the principal cause of disturbance in the hail insurance business. We have felt and do feel that if we could eliminate part of the moral hazard and weakness in the method of

handling our business it would be a public service. There is no doubt in our mind that this hail rate could be reduced in some sections but in order to do so we must handle our business so that we are above criticism on all sides. And we can only do this by the careful selection of men to represent us in the field, men who cannot be hoodwinked and men who will deal with justice to all, at all times.

## Other Cases Where Policy Dating Was Used

Going a little further down the line we found where the hail storm happened on Saturday, June 6th, policies were written by two standard companies on June 8th. The assured made no report of loss until June 20th. By the time the adjuster got around and the loss adjusted it was about June 30th. It was very difficult for the adjuster to decide on the exact date of the storm, due to lapse of time between June 6th and June 30th. One of the adjusters made a settlement of 50 per cent on that portion that was damaged by hail on June 6th. The other adjuster had knowledge of the exact date of the storm and after due consideration he made the same allowance but in so doing the assured agreed to shoot craps with him for \$1283 and of course the adjuster won with the first throw of the dice.

## Many Others Involved For Small Amounts

We also found a large number of agents who practiced these irregularities lightly, from one to three thousand being their usual amount of graft. And again we found agents who took out insurance on crops in which they had no interest and were successful in securing an adjustment to the amount of several times the premium.

We also found cases that certain people were writing life insurance, making a deal with a farmer to write his life policy and a hail policy with the understanding that he would have a hail loss a little later on sufficient to pay the premium on both policies.

There were numerous cases where hail policies were written with the understanding that they would have sufficient loss to pay a note several years old, together with their new note.

## Numerous Forms of Irregularities Uncovered

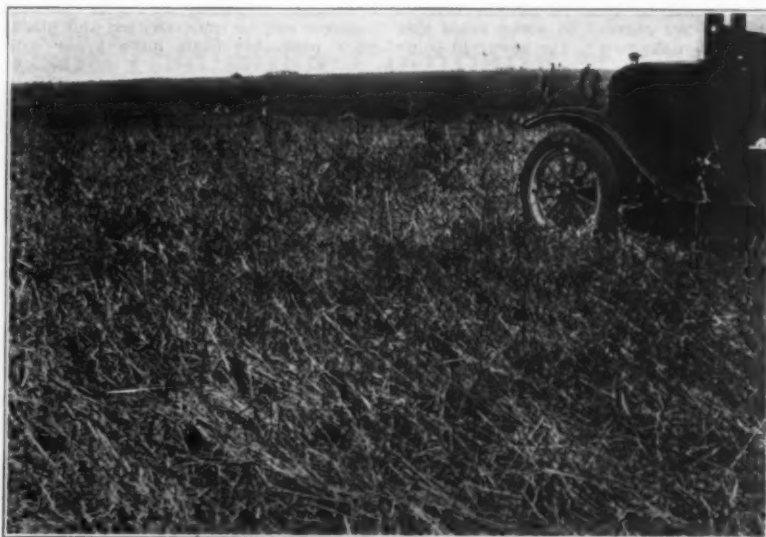
In one case particularly we have the information and an affidavit to the effect that the assured refused to pay a note of a few years standing claiming that he had an offset in a loss. The general agent, himself, made the statement to the assured that he was fixing up his loss papers, and instead of that he wrote an application, proof of loss, and a loss draft. He had him sign all the papers and endorse loss draft to him. This took care of the two notes and the farmer received nothing for his previous loss but the general agent had his commission on both policies and both notes paid by the company.

We found some instances where the agent was ignored and the adjuster and the assured connived and they would agree on a liberal adjustment of loss. Then they would boost the adjustment sufficiently and divide the excess.

The above is a general outline of the crookedness as we found it in Colorado. It is almost impossible to report in detail each specific instance as they are too numerous. The number of confessions actually signed was amazing.

## Believed to Exist In Other States

While this condition has only been shown by comparatively few of the companies operating in the state of Colorado we have every reason to be-



Here is a grain field that has been swept by a big summer hailstorm and leveled to the ground. The extent of the damage is indicated by the showing of the front wheel of the automobile in the picture. Prior to the storm this field would have completely hidden the wheel and probably the entire hood of the car. Now the entire rim is shown in its entirety, indicating that even the stubble in the field is no higher than the thickness of the tire itself. This loss was in South Dakota, in the storm of July 26, one of the most disastrous of the last season. In some sections of the Dakotas it was reported the hail drifted fourteen and fifteen feet in depth. In such a storm the grain crops have little chance to survive. (America Fore Photo).

lieve that all of the companies have been similarly defrauded unknown to themselves, inasmuch as the loss ratio of those companies on which fraud was perpetrated was no greater than that of the average loss ratio of the state. This leads us to conclude that it is advisable for each company to give its hail business more attention. We have every reason to believe that the condition referred to exists elsewhere and it should be brought to the close attention of all companies interested.

We invariably find in all parts of a hail territory that there are some people largely over-insured and who guard the fact so carefully that it does not become known. In fact we have several cases of this kind in different states that will be investigated later.

#### Need More Stringent Rules for Handling Business

It is the opinion of a great many hail men that these conditions should be forcibly explained to all hail adjusters, and apparently they are in a position to prevent a recurrence of anything of this nature. But we must be in a position to take sufficient time to run down these rumors when they come to our notice. We should always be on the look out at all times. It seems incredible that things of this kind could exist in the state of Colorado where there have been between 75 and 100 field men and adjusters regularly working over the field. Then heretofore we have been very liberal in recognizing what we call the clerical error, that is if it appeared that an application covered on the wrong piece of land such as the wrong section, township, or range it would be lightly explained that it was the clerical error of the agent and the adjuster would waive discrepancy and take proof immediately. The company would pay without further investigation.

It has been suggested that hereafter if the policy covers on a description other than the actual crops claimed by the assured, it will then be necessary for the assured and agent as well to furnish sufficient proof of good faith, and if there is a clerical error when the policy is written covering crops so damaged by hail and where the assured has no other land or crops than the acreage so damaged, it could properly be assumed that such was intended to be covered by this policy. And again the adjuster must ascertain the date of the storm and he should always satisfy himself that this policy was in effect at the time of the storm and was not in any way dated back.

The company's receiving stamp at the office should be plainly shown on the

## Hail Insurance Leaders

FINAL returns on the hail insurance experience for 1925 show a general improvement for practically all companies, with increased premiums and decreased losses. The total business for the year increased 43 percent over that of 1924 and a loss ratio of 62 percent compared with the 1924 loss ratio of 85 percent. As for individual company returns, the ten leaders for 1925 show few changes in relative positions, although the total business of each was materially increased.

The Hartford was again well in the lead with a total premium income of \$3,169,271. The Home of New York was second with \$1,307,081. The St. Paul Fire & Marine was third with \$856,582.

The premiums and losses for both 1925 and 1924 of the ten leaders in premium income are as follows:

	1925		1924	
	Premiums	Losses	Premiums	Losses
Hartford .....	\$3,169,271	\$2,116,321	\$1,775,432	\$1,405,495
Home .....	1,370,081	972,617	1,327,383	1,133,419
St. Paul F. & M. ....	856,582	496,280	617,943	432,174
Great American .....	753,415	360,284	470,002	301,883
Automobile .....	673,611	577,889	339,783	349,465
Globe & Rutgers .....	643,304	658,687	335,928	258,907
Twin City .....	580,660	421,404	168,519	134,458
North America .....	500,681	367,794	194,349	239,685
Springfield .....	468,177	357,039	275,100	364,190
Continental .....	460,728	226,827	226,601	201,336

application on receipt so that when it is sent to the adjuster for the purpose of adjusting the loss he will then be able to ascertain and satisfy himself when the policy went into effect. Envelopes containing original loss notices should be carefully marked and preserved as the Federal authorities may need them. Then there is always some way to ascertain in the locality the actual date of storm and the adjuster should be able to verify the reported date of the storm without doubt before taking up the loss.

Now, then we find another condition that should be dealt with very firmly, that is; some agents will write business and hold it up apparently waiting for certain conditions to develop but for all intents and purposes waiting for a hail storm. As soon as the hail storm occurs all applications go in at one time. Then the adjuster will adjust the loss without question. In most of these cases the agent takes the application, leaving the dating blank and when he gets ready to send them in, dates them to suit particular storm date.

It is common talk in specific localities among certain classes of farmers that it is useless to insure until after the hail storm. There have been some cases that have been successful in taking insurance after the storm, and receiving a settlement equal to that of parties insured prior to the storm. In some cases this would be unknown to the agent, in some

cases the agent assists in perpetrating the fraud. In other cases where these crooked adjusters in some localities become known to the public in general, there are a great many farmers who are apparently satisfied to enter into such connivance, and have welcomed such an agent or adjuster capable of consenting to irregularities of this kind. However, assureds of this kind are largely in the minority though the disease seems to have infected many and has been growing rapidly.

We find that the better class of agents and farmers warmly welcomed this investigation and were glad at all times to assist in every way possible. It is invariably their opinion that this investigation is very needful in the agents, assureds, and the companies interest as they readily see the necessity of stamping out this brand of crookedness from the insurance business. And this would in time reduce the rate to a level to which the honest assureds are entitled.

The people in charge of the hail business allowed the above conditions to creep into the business from time to time and continuously created a moral hazard by lack of underwriting ability. It has often been said that there is no underwriting in the hail business but it is the opinion of others that underwriting is necessary and that the hail business can be underwritten and placed on a profitable basis on a lower rate.

As matters stand the hail companies are taking a loss which is fair to none. False representation must lead only to fraudulent claims, high rates, and restricted business, detrimental to all interests.

In writing this article we hope it will not be considered that any hail man feels that the majority of the agents and assureds in the hail business are unfair. Such is not the case, but go back to the old story, "One infected apple in a barrel will continue to deteriorate and in time spoil the whole barrel." Apparently we have gone along those lines for a number of years but now feel that we have come to the end of this means of operation. And the company managers have given this particular coverage such close and earnest attention that in a short time the hail business should be in a much improved condition.

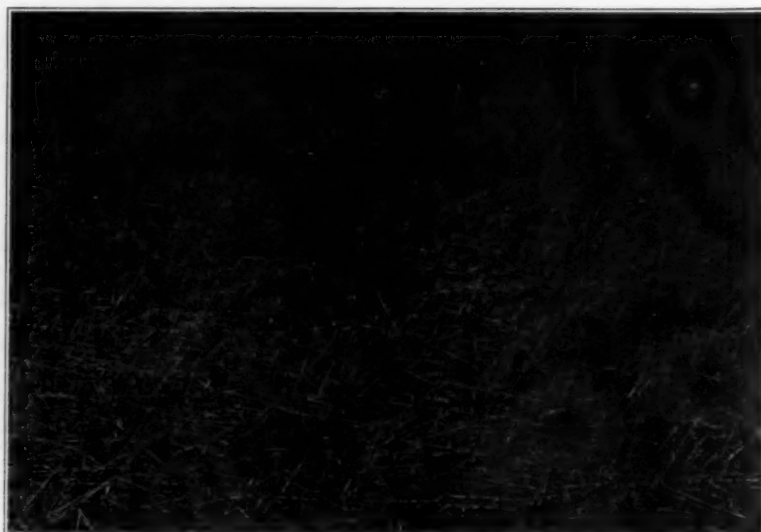
This investigation's success is largely due to the firm determination of a few men who are jealous of the good name of our business. With a crew of experienced hail men under a talented investigator they were able to secure confessions from the offending parties, and in some instances securing the full return of money which the companies had paid by fraudulent methods; in other cases only partial return, due to the fact that these particular characters were very liberal spenders with other people's money. The investigation as a whole has been successful and it is hoped that the public and the insurance business will benefit by the publication of a gigantic fraud perpetrated upon them in the state of Colorado and elsewhere.

## Good Field to Develop

THOSE in the home offices point to the 10 percent deductible policy as an excellent avenue for the hail agent to develop. They point out that any farmer should be willing to underwrite 10 percent of his loss, particularly when he has a 20 percent rate reduction for so doing. It should prove attractive to the farmer, if sufficiently stressed by the hail agent and the latter should be interested in it, as it would prove even more profitable to the companies. Some loss men state that over 50 percent of the hail loss payments are made on claims that would be eliminated by the application of the 10 percent deductible clause. That is, the minor losses, classed below 10 percent, constitute 50 percent of the companies' losses and a drive of 10 percent deductible business would greatly aid the companies in their endeavor to return the hail business to a sound basis.



This South Dakota corn field looks much like a field that had been grazed over by the cattle. To the contrary, it is a field that was swept by the disastrous hailstorm of last July. The corn stalks were broken to the ground so that only row on row of bare stalks stood in the place of what promised to be a bumper corn crop. Thousands of corn raisers are still to be sold on the need for protection from this hazard. (America Fore Photo).



This shows what a few minutes of hail can do to a grain crop that is practically ready for the harvest. This field of grain, extending as far as the eye can see, was thrown to the ground and threshed out by the hailstorm that struck South Dakota last season. This is a clean-cut loss, and while it is disastrous to the company loss ratios, it is the kind that is preferred to the 5 or 10 percent loss that results in much haggling and misunderstanding. (America Fore Photo).



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1. We are pioneers in hail insurance in Texas, writing it continuously for over twenty consecutive years.
2. Always dependable—none of our companies has ever quit in the middle of a season.
3. First to handle farmers' notes, to assist agent in financing his hail business. Have handled notes every year.
4. First to incorporate rates and instructions with each pad of applications.
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6. A Texas office, manned by Texas people, for personal service to Texas agents and Texas farmers, under Texas laws.
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## Canadian Business Showed Big Improvement in Past Season

HAIL insurance in Canada staged a real comeback in 1925 and for the first time in many years this business was shown to be in the profit class. There was a notable increase in premiums and at the same time a decrease in losses, so that the loss ratio showed a sharp reduction. As in the past two years, Alberta continued to be the dark spot on the map, the loss ratio in Alberta being all that kept the companies from showing the 30 percent ratio for Canadian business as a whole.

The premium increase brought the business back to the 1923 pace without, however, returning to the old disastrous loss ratio. In 1925 the Canadian hail business showed premiums of \$5,017,776, compared with \$3,298,626 in 1924 and \$5,099,770 in 1923. As before, Saskatchewan led with premiums of \$2,890,067, though Saskatchewan was the only province which did not have the record of previous years in premium income. Manitoba showed premiums of \$424,572 and Alberta premiums of \$1,703,087. The loss ratios in 1925 were: Manitoba 31 percent; Saskatchewan, 33 percent; Alberta, 53 percent; making a loss ratio of 39 percent on the total Canadian business. This compares with the 48 percent loss ratio in 1924 and the 93 percent loss ratio in 1923.

The 1925 hail experience in Canada, by companies and by province, is shown as follows:

Stock Company Results in the Three Canadian Hail Provinces During the Past Three Years

Province	1925		1924		1923	
	Prem.	Losses	Prem.	Losses	Prem.	Losses
Manitoba	\$ 424,572	31%	\$ 279,630	33%	\$ 479,191	25%
Saskatchewan	2,890,067	33%	1,874,859	42%	3,390,834	85%
Alberta	1,703,087	53%	1,144,137	61%	1,229,745	142%
Total	\$5,017,776	39%	\$3,298,626	48%	\$5,099,770	93%

Synopsis of Premiums and Losses As Filed by Members of Canadian Hail Underwriters' Association in 1925

Company	Manitoba		Saskatchewan		Alberta	
	Prem.	Losses	Prem.	Losses	Prem.	Losses
Acadia Fire	\$ 11,132	\$ 3,530	\$ 55,765	\$ 29,064	\$ 36,109	\$ 19,586
Aetna	1,512	293	41,817	16,459	32,575	11,881
Agricultural			19,067	8,636		
Bee Hail	14,902	6,374	69,017	26,814	27,467	16,309
British Crown	2,076	1,075	59,034	19,270	53,606	26,920
Canadian Indemnity	28,939	6,527	109,250	35,450	107,924	41,933
Canada Surety	11,304	4,208	79,954	27,683	80,058	60,223
Connecticut Fire	28,578	7,035	150,679	60,969	40,143	27,791
Eagle, Star & Brit. Dom.	3,701	3,494	38,765	8,573	35,261	20,338
Employers' Liability	6,159	1,769	80,922	28,765	104,162	60,148
Equitable F. & M.	2,739	266	49,367	19,367	30,799	14,323
Farmers' Fire & Hail			11,678	5,167	32,150	14,791
Federal	2,347	423	131,585	43,456	21,383	8,345
Franklin	1,647	546	10,374	8,338	11,500	6,827
General Accident Assur.	5,570	3,967	78,102	19,444	25,707	17,512
Gen. Acci. Fire & Life	14,727	5,258	144,493	56,985	32,296	20,146
Glens Falls	28,575	6,118	107,227	23,723	71,062	34,766
Great American	4,865	1,604	32,148	8,671	13,833	844
Hartford Fire	19,198	8,606	193,576	38,346	70,375	44,890
Home	19,465	6,176	139,978	46,375	170,629	125,245
In. Co. of North Amer.	5,722	3,465	40,917	10,786	42,009	13,266
London Guar. & Acci.	1,361	344	64,014	15,894	35,403	20,445
London Canada	1,108	382	12,700	4,765	25,743	10,849
London & Scottish	21,843	7,227	63,931	17,724	19,990	10,096
Merchants' Fire			141,559	19,964		
National Union			33,027	2,453		
New York Und.	71,987	18,514	126,953	49,637	8,019	1,106
Niagara	1,877	532	59,526	30,538	14,695	7,798
Nova Scotia Und.	6,369	831	25,412	13,486	30,515	19,593
Occidental Fire	11,790	1,657	117,981	60,129		
Phoenix Assur.	13,164	1,544	41,111	15,471	26,779	15,509
Phoenix, Hartford	5,206	4,104	75,125	34,878	43,029	16,851
Rochester Und.			27,468	7,337	62,986	28,114
Scottish Canadian	14,306	6,867	25,565	11,946	32,354	12,471
Security	3,366	159	47,927	42,974	28,261	11,690
Springfield F. & M.	1,967	3,863	34,671	6,887	42,662	24,510
Sterling	960	554	78,033	12,659	16,402	3,584
St. Paul F. & M.	682	754	52,309	11,838	23,230	12,699
United Assur. Und.	9,480	556	74,586	8,480	73,710	26,536
Union Insurance So.	4,301	1,325	26,947	9,288	56,986	28,731
Westchester Fire	31,443	8,745	56,046	11,264	66,725	33,197
Western Und.	5,340	1,535	48,872	18,952	36,264	15,247
Winnipeg Fire Und.	4,884	1,176	14,589	3,200	20,196	12,631
Total	\$424,572	\$131,402	\$2,890,067	\$952,105	\$1,703,087	\$897,673
	30.98%		32.94%		52.71%	

### Proper Attitude Needed

THE most important factor in the development of hail insurance business today, according to K. T. Martin, general agent at Fort Worth, is the attitude of the agents toward the company and the business. Mr. Martin believes that if the agent in the field assumes the proper attitude toward his company, when writing and handling hail insurance business, that agent's business would more frequently show a profit, unless his territory was actually devastated by hail. He believes that if the

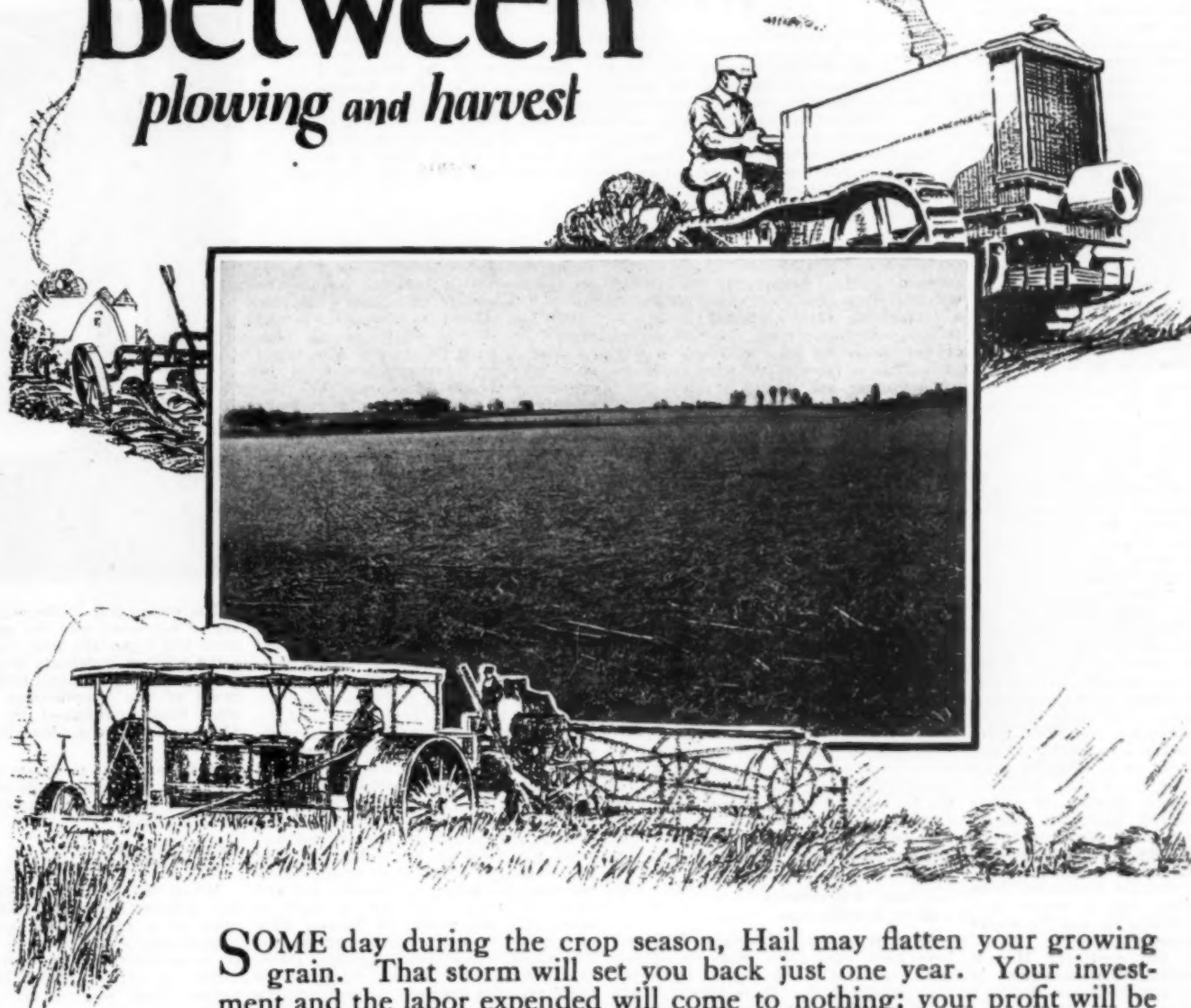
agent would realize that any reaction that develops against the business in his field will be felt by himself in the long run, he would take more interest in developing the business as it should be developed.

Mr. Martin is of the opinion that all too often the agent is at fault, when the farmer puts in a claim for hail damage, when the bulk of the damage and possibly all of it is from disease or parasites. He said that this in time eats up the company's profit, results in increased premiums and eventually will react against the agent in decreased business.



# Between

*plowing and harvest*



**S**OME day during the crop season, Hail may flatten your growing grain. That storm will set you back just one year. Your investment and the labor expended will come to nothing; your profit will be eliminated; your credit, even, may receive a jolt!

To go uninsured against Hail is as much a game of chance as betting against the wheel at Monte Carlo—except that you have no chance of winning more than you put in.

Farmers of shrewd business judgment have for years placed their Hail insurance with the American Eagle. Their policies have always been paid in full upon equitable adjustment. Our record of square dealing should appeal to you.

**Hail Business is not a Side-Line with us.—We Specialize in it.**

## To Agents

### THIS PAGE

Is a small size reproduction of our window display poster which will be sent to all American Eagle Hail Agents this year. The poster itself is 12½ by 17 inches, printed strikingly in red and black on heavy paper. This is only one item of the complete hail advertising equipment which will be available to you as soon as off the presses. Place your order now to insure early delivery of your "Selling Helps."

Address: Jacob Nelson, Superintendent Hail Department, American Eagle Fire Insurance Company, 844 Rush Street, Chicago.

# AMERICAN EAGLE

Cash Capital  
One Million Dollars



HOME OFFICE - NEW YORK  
BRANCH OFFICES - CHICAGO,  
SAN FRANCISCO.

## FIRE INSURANCE CO.

ERNEST STURM, CHAIRMAN OF THE BOARD,  
PAUL L. HAID, PRESIDENT.

# How the Business Should Be Handled

By JACOB NELSON

WE are revealing no secrets when we say that the hail business, as such, has been an unprofitable venture during the past five years. Stock companies suffered severely and, since State Hail Funds and Mutuals have fared no better, it is safe to say that the unfavorable experience is not due to any particular plan of transacting business. A few years ago the U. S. Department of Agriculture at Washington gathered statistics on hail insurance from Stock companies, Mutuals and State Funds and their compilation reveals the startling fact that the hail loss ratio of all classes of carriers over a period of 35 years prior to April, 1922, has been extremely high, so you can readily see that we are engaged in a business that has lost money since its inception.

## Turning the Searchlight on the Business

In recent years, company executives have wondered whether or not the hail business is a legitimate business and we cannot blame them for their attitude in view of the past record of the class. However, men who have had years of experience in hail work know that it is a legitimate business for which a legitimate demand exists, but, in order to become a success, it must be conducted on a legitimate basis. Let us turn the searchlight of truth squarely upon ourselves and ask, "Have we conducted it in that manner?" I regret to say that the answer is "No." What, then, is the trouble with the Hail business? I contend that every potential hazard is an insurable one if a proper contract can be drawn and a proper premium charged for the indemnity. For years we have labored with statistics, compiling them by states, by counties, by townships and by crops in order to promulgate rates adequate to carry the hazard; we have adopted the Merit System of rating which automatically fixes the rate in certain districts based upon past experience therein; the element of personal opinion and individual company experience has been entirely eliminated from those calculations, but it seems that scientific rate making is not the entire solution of the problem.

What about the contract? Has it adequately protected the companies in the past? The answer again is "No." Certain restrictions in the conditions of the policy were found to be absolutely

Jacob Nelson, manager of the hail department of the America Fore companies, is a member of the advisory committee of the Hail Association which is working out the uniform adjustment code. In the adjoining columns are excerpts from the address he will give at each of the regional conferences of adjusters during this month and upon which the general discussion of adjustment procedure will be based. Mr. Nelson points to "what is wrong with the hail business" and outlines in a forceful way the proper procedure to be followed in hail adjustments.

necessary if drastic rate increases were to be avoided and these restrictions were adopted on the theory that the insured would rather buy a restricted policy at a reasonable rate, especially if he receives protection during the vital period of the growing season, than to pay premiums at rates which were constantly mounting and would in time reach prohibitive figures.

Last year's experiment with the much discussed and cursed "Second Joint" corn clause proved successful beyond our fondest expectations since that one item of our policy removed corn from the unprofitable class and placed it in the profitable column in one season. Despite dire predictions on the part of some agent that no insurance could be written on corn under that clause, the total liability of all companies on corn increased from \$12,000,000 in 1924 to \$33,000,000 in 1925, whereas that on wheat increased slightly more than 50 percent. Apparently the policy was not so unpopular after all. Any new innovation, especially if in the nature of a restriction in coverage, usually meets with opposition at first but this opposition can be overcome by educational work on the part of our fieldmen and adjusters. We are of the opinion that the limitation of liability now placed on small grain coverage will result in an improvement in the record of those classes similar to our experience on corn.

## Improper Adjustments Most Troublesome

Most of our past difficulties, however, have been caused by improper adjustments and it is with a view of correcting such practices that these meetings are being held. No rate or policy restriction will protect the company against loss

if adjustments are not conducted on a scientific and impartial basis. The responsibility which therefore devolves on our hail adjusters is a grave one for upon their ability to adjust each and every loss strictly on its merits, irrespective of what effect such adjustment may have on future income, rests the future of the hail business. We frequently hear an old-time adjuster make the statement that no man can tell within 5 percent what a hail loss actually amounts to. A statement of that kind is not only a reflection on the business, but indicates a total lack of comprehension of hail adjustment work and such a man should either be taught to change his views or be eliminated from the business entirely. In order to prove this statement, permit me to point out that our hail policy does not contemplate the ascertainment of hail damage in terms of dollars and cents, but is designed to pay for physical damage only. A great many years ago, the hail policy was termed a "Bushel Policy" and was intended to reimburse the farmer for the reduction in yield, caused by hail, in terms of bushels. The loss in bushels was then translated into dollars and cents by applying the market price at the nearest primary market. You can readily see the tremendous difficulties which such procedure entailed because no man can tell, in advance of harvest, what the yield or price will be. The crop might yield 10 bushels or 40 bushels per acre, depending on climatic, soil and numerous other conditions; it might be worth 75c per bushel at harvest time or it might be worth \$1.50, who knows? The value of any growing crop is therefore entirely conjectural and since we could take ten different farmers into the same field separately and upon asking them to estimate the value of that crop



The young lady in the picture is holding in her hand, not the eggs of some large and legendary fowl, but hailstones—the kind of hailstones that descended last summer upon Rapid City, S. D. The crops of the surrounding countryside were heavily damaged by the storm. (Picture from Johns-Manville Co.)

at that particular time, get ten different estimates, you can readily see what the adjusters were up against under the old bushel policy.

## Familiarity with All Factors Is Essential

When the present percentage policy was adopted, the value of the crop, insofar as the insurance is concerned, was immediately established by the amount of insurance which the insured himself elected to carry, subject, of course, to certain limits per acre which the companies, for self preservation, found it necessary to adopt. During recent years

## First in the United States

The ST. PAUL was the first fire insurance company in the United States to write HAIL INSURANCE through its agents.

**ST. PAUL FIRE & MARINE INSURANCE CO.**  
ST. PAUL, MINNESOTA

Assets \$24,319,524.44

Policy Holders Surplus \$10,901,026.95

*Special Facilities for Hail Writing Agents*

F. R. BIGELOW, President



# When HAIL reaps



*-who pays?*

## To Agents

### THIS PAGE

Is a small size reproduction of our window display poster which will be sent to all Continental Hail Agents this year. The poster itself is 12½x17 inches, printed strikingly in red and black on heavy paper.

This is only one item of the complete hail advertising equipment which will be available to you as soon as off the presses. Place your order now to insure early delivery of your "Selling Helps."

Address Jacob Nelson, Superintendent Hail Department, The Continental Fire Insurance Co., 844 Rush St., Chicago.

**"Once off the fields, my crops will be safe!"**

How often have you thought this as the season nears its end? With the sunny days of harvest only a short way off, every farmer grows restless and not a little nervous. Will *he* do the reaping?

**It's a game of chance, and when Hail reaps—who pays?**

Carrying the burden of this uncertainty is the business of this company. The Continental Insurance Company, with its vast assets, is well prepared to stand your losses for you on an absolutely honest adjustment and prompt settlement of your just claim. Take out a hail policy on your crops now—it will protect you for the entire season.

**Hail Business is not a Side-Line with us.—We Specialize in it.**

# The CONTINENTAL

*Cash Capital*  
**Ten Million  
Dollars**

**INSURANCE COMPANY**  
NEW YORK - CHICAGO - MONTREAL - SAN FRANCISCO

ERNEST STURM, CHAIRMAN OF THE BOARD.  
PAUL L. HAID, PRESIDENT.



the policy has been modified to the extent that if any crop is found to be grossly overinsured or has deteriorated, by reason of agencies other than hail, to a point where its actual value is less than the total amount of insurance carried, then the company has the right to apply the percentage of ascertained physical damage to the actual value of the crop and will return the premium paid on the excess insurance carried.

Our adjusters therefore are only concerned with determining the actual percentage of physical damage caused by hail, and applying that percentage to the amount of insurance carried, provided the amount of insurance does not materially exceed the apparent value of the crop. What, then, is the most logical method of ascertaining the percentage of physical damage? It can only be done by making careful tests in every field insured, and in making those tests, care must be taken to ascertain hail damage only, since that is the only damage covered by the hail policy. Needless to say, the adjuster must be thoroughly familiar with damage caused by other agencies, such as insect and animal pests, plant diseases, wind, rain, flood, drought, etc., in order to segregate it from hail and convince the insured that we have no liability for such damage under our hail contract. If we pay for damage other than hail, we are placed in the position of carrying a full cover crop policy at the hail rate.

#### Five Tests Should Be Made in Each Field

No less than five tests should be made in each field, one in each corner and one in the center. Make as many more as may be necessary to convince the insured that a general average has been secured, and for that matter, the insured himself may do the counting under your supervision, if he so desires. This is the only method by which percentage of actual physical damage may be ascertained. The use of any other method involves a great deal of guess work and causes the farmer to think that his guess, which is usually 10 percent or more higher than that of the adjuster's, is as nearly correct as yours. No reasonable man can dispute the accuracy of tests made in his presence, so our experience has been that an insured will settle more readily on an actual test basis and usually has more respect for the accurate and scientific adjuster than for one who follows the old 5-10-15 percent method.

#### Old Idea of Percentage Adjustments a Fallacy

The fallacy of the old idea that all hail adjustments should be made in multiples

of 5 percent will be understood if you take the average of 5 actual tests in a great many cases and see how many times the result is a multiple of five. It is practically a mathematical impossibility. You must admit that "multiple of 5" awards are either too large or too small, neither of which is contemplated under the policy contract of any honest and self-respecting company. Some adjusters are of the opinion that the test method was adopted to "scale" our losses. Let me state emphatically that such is not the case. We want to pay every dollar of an honest hail loss—no more and no less; but found it necessary to devise a better plan of adjustment than the "estimate" method formerly in vogue with its attendant inaccuracies. Let us see what an average overpayment of 1 percent on each loss will amount to on the season's operations. The average size hail policy issued is a trifle over \$1,000. A 1 percent overpayment would therefore amount to about \$10. A company with a million dollar hail income will suffer about 5,000 losses per year, so this \$10 overpayment in each case will cost the company \$50,000 or 5 percent on its hail income. Think of it! The difference between profit and loss thrown away by adjusters with their seemingly small 1 percent overpayments! How many companies have made 5 percent on their hail business?

The day of the careless, incompetent,

generous or sore-footed adjuster is past. Companies now want men who are competent to recognize hail damage and segregate it from that caused by other agencies; energetic and conscientious enough to thoroughly inspect and test out every field in order to determine the actual percentage of hail damage therein, and courageous enough to stand by their counts, if correctly made, no matter what pressure might be brought to bear on them by agent or insured. Such men will go far in the hail business—others will fail. A high type of moral courage is therefore essential to success as a hail adjuster.

In order to properly record the tests made and percentage of damage resulting therefrom, a blank has been devised which is variously called the "Adjustment Report", "Test Sheet", "Make-Up Sheet", etc., and its operation will be thoroughly understood if you will carefully read the instructions printed on the back thereof. A slightly different form has been devised to take care of corn adjustments, but the principles involved are the same. If any of the instructions are not absolutely clear to you, now is the time to discuss them and I hope that you will not hesitate to ask questions about the doubtful points. These reports involve percentages only and all discussion of money award should be avoided until the percentage damage by hail only has been determined and agreed upon.

After that it is a simple matter to apply the percentages to the insurance carried and enter the money award on the proof of loss. You may jot down a record of your tests on a pocket size pad while in the field, if you so desire, but the report must be completely filled out and proved before you even start with the proof of loss. A report filled out from memory is a dangerous thing and frequently leads to grave complications while a completed report, signed by the insured should be accepted as conclusive evidence in any court of law.

An adjuster who will "fake" a test sheet with intent to deceive the company is inherently dishonest and will soon be discovered and eliminated from the hail business. Please remember, however, that all humans are prone to err and no man is severely censured for an honest error, provided that he profits by his errors and endeavors to avoid a repetition of them.

#### Use of Forms Is Essential to Business

We have frequently heard the statement that the use of all of these reporting forms will slow-up an adjuster's work. Well, what if it does? One of our principal difficulties in the past has been too much speed. No adjuster can conscientiously and thoroughly adjust more than six losses per day under our present system and his average for the season will be considerably less on account of time devoted to traveling. Your time belongs to the company which pays your salary and it should really make no difference to you if they require that you devote your entire time to talking through fields or spend half of it making up reports. Did you ever notice how many reports the fire adjuster has to make out? Have you ever heard of a fire loss being adjusted at 35 percent on household effects? No, you haven't! On the contrary, the fire adjuster has to schedule every article of furniture, clothing, dish and utensil damaged or destroyed and must show the original cost of same with proper depreciation however caused, in order that the general adjuster may intelligently check each loss. Why shouldn't the same principle apply in the hail business? Instances are numerous where different adjusters have been from 25 percent to 50 percent and even more apart in their adjustments on the same field. Doesn't that indicate incompetence or worse on the part of at least one of those men? Would it not be to the advantage of all concerned to use some system whereby cases of this nature could be investigated and the actual facts determined? No



During the hailstorm of last July that descended upon Rapid City, S. D., the hailstones piled up on the ground to a depth of six inches, and when the storm was over and they began to melt, the streets resembled an Alpine glacier or a great river ice gorge moving through the town. The picture shows the main street of Rapid City, right after the storm had ceased. (Picture from Johns-Manville Co.)

## HAIL INSURANCE

# QUEEN CITY FIRE INS. CO.

D. P. LEMEN, Secretary-Manager

SIoux FALLS

SOUTH DAKOTA

TWENTY-ONE YEARS UNEXCELLED SERVICE



# Afterwards ~



## To Agents

### THIS PAGE

Is a small size reproduction of our window display poster which will be sent to all Fidelity-Phenix Hail Agents this year. The poster itself is 12 1/4 by 17 inches, printed strikingly in red and black on heavy paper.

This is only one item of the complete hail advertising equipment which will be available to you as soon as off the presses. Place your order now to insure early delivery of your "Selling Helps."

Address: Jacob Nelson, Superintendent Hail Department, Fidelity-Phenix Fire Insurance Company, 844 Rush St., Chicago.

**A**FTER a hail loss is when your insurance policy will show its true worth. It will be at that time that you will want prompt service on adjustment and settlement; you will want the fairest appraisal of the damage done.

This company, with its enormous resources and competent representatives, is in a position to render you the finest grade of service after, as well as before, your loss. For safety's sake insure now and specify a Fidelity-Phenix policy—in case of loss you will be satisfied with the efficiency of our handling of the matter.

**Hail Business is not a Side-Line  
with us.—We Specialize in it.**

## FIDELITY-PHENIX Fire Insurance Co.

Home Office - New York City  
Branch Offices  
Chicago - Montreal - San Francisco  
CASH CAPITAL  
FIVE MILLION DOLLARS

FIDELITY-PHENIX FIRE INSURANCE COMPANY  
HAIL DEPARTMENT CLAIM No. 7

Pay to the order of *A. C. Best* *5076*

*Five thousand seven hundred and seventy six and 00/100*

The Endorsement of the Payer on this Draft is hereby understood and agreed to be a Receipt for full satisfaction of all Claims for Loss and Damages which occurred on the *10th of July 1926* at the *Grand Rapids, Colorado* home of the Fidelity-Phenix Fire Insurance Company and in consideration of such payment the said Policy is *Cancelled in full*

To FIDELITY-PHENIX FIRE INSURANCE COMPANY  
137 South La Salle Street, Chicago, Illinois

FIDELITY-PHENIX FIRE INSURANCE CO.  
*Ernest Sturm*

ERNEST STURM, CHAIRMAN OF THE BOARD,  
PAUL L. HAID, PRESIDENT.

competent and honest adjuster should have any objection to supervision of this nature, but, on the other hand, should welcome it, for by no other means can the true worth of a man become known. Let me again reiterate that due allowance is always made for excusable errors, so no honest adjuster need fear the consequences resulting from an investigation of his work.

#### Future of Business Rests on Adjusters

Sometimes in case of dispute an agent tells us that the farmer knows more about a hail loss than the adjuster does. Let's see whether or not that is so. According to our records, the average farmer in normal territory does not suffer more than a half a dozen hail losses during a lifetime of farming, while the active adjuster frequently handles that many a day. We are therefore firmly convinced that the adjustment made by a competent and experienced adjuster is correct in 95 cases out of 100 and for that reason we are willing to back his judgment to the limit. This is an additional reason why we should be in a position to check up on his work to determine whether or not his tests have been properly made if further investigation becomes necessary. A great deal

of our past difficulty has been caused by some insureds playing one adjuster against another. This can only be overcome by close cooperation between companies and adjusters, but I venture to say that if every adjuster follows out our present system and adjusts each loss strictly on its merits, we will rarely find a difference of 2 percent between the percentages ascertained in the same field, whereas in the past differences of 10 percent and up have not been uncommon.

In conclusion, permit me to repeat that upon you adjusters rests the future of the hail business. Companies writing 90 percent of the total hail business in the country are in accord on the proper adjustment methods to be pursued in the future and a strict compliance with all of their instructions is essential if our cooperative efforts are to bear fruit. Remember that the only actual contact between insured and insurer is established through the adjuster in event of loss, so the responsibility is yours to see that a favorable impression is created through the medium of a fair and impartial adjustment. We have no doubt but that you will faithfully and cheerfully comply with our instructions, because only by so doing can the adjustment situation be corrected and the companies eventually enjoy that elusive thing known as profit in the hail business.

## Complete List of General Agents

AT the time of writing 35 hail general agents are listed to take the field for 1926. All appointments have not been made as yet and the list will be somewhat increased before the season is actually under way. There have been a number of changes in the field since last year, some voluntarily retiring from certain general agencies and others being dropped by reason of circumstances.

There were a number of rearrangements in the general agency connections and several new general agencies have entered the list. Among the new ones are: American Agency Company, Tulsa, Okla.; H. G. Carpenter, Fargo, N. Dak.; C. C. McKnight, Enid, Okla.; Nelson-Cooper, Grand Forks, S. Dak. One of the reasons for the reduction in the number of general agencies was the consolidation of three, the A. J. Shaw

Investment Company at McPherson, Kans., having purchased the Postal General Agency and the McPherson General Agency at that city.

The list of hail general agents, complete to April 1 for this year is as follows:

**AMERICAN AGENCY CO.**  
Tulsa, Okla.  
General Agents, Inter-State.

**ELMER F. BAGLEY INVESTMENT CO.**  
Topeka, Kans.  
General Agents, Iroquois Fire (Kans., Okla., Colo.).

**BAKER INSURANCE AGENCY**  
Fargo, N. D.  
General Agent, St. Paul F. & M. (Southern N. D.). General Agent, Middlewest Fire Und. (N. D.).

**EDWARD BROWN & SONS**  
San Francisco  
General Agents, Globe & Rutgers (Ariz., Cal., Idaho, Mont., Ore., Wash.).

**H. G. CARPENTER**  
Fargo, N. D.  
General Agents, Niagara (Minn., Mont., N. D.).

**COBB, MILLER & STEBBINS**  
Denver, Colo.  
General Agent, Commonwealth (Colo.). General Agents, Northwestern F. & M. (Colo.).

**PAUL COLSON INSURANCE AGENCY**  
Fremont, Nebr.  
General Agents, Federal Union (Nebr.).

**COSGRIFF & VON SIEN, INC.**  
Fargo, N. D.  
General Agents, Twin City (N. D.).

**CRAVENS, DARGAN & COMPANY**  
Houston, Texas  
General Agent, St. Paul F. & M. (Texas). General Agents, Camden (Texas). General Agents, Potomac (Texas).

**JOHN E. DAWSON**  
Great Falls, Montana  
General Agent, Northwestern F. & M. (Montana). General Agent, Federal (Montana). General Agent, Sterling (Montana).

**ELLIS & HOLLAND**  
Des Moines, Ia.  
General Agents, Northwestern F. & M. (Iowa). General Agents, Federal (Iowa).

**THE HEDWALL-SUNDBERG COMPANY**  
Minneapolis, Minn.  
Managers, Westchester; Providence Washington; Hudson; Hudson Und. (all hail writing states).

**W. C. LYLE**  
Omaha, Neb.  
General Agent, St. Paul F. & M. (Neb.).

**K. T. MARTIN**  
Fort Worth, Texas  
General Agent, Northwestern F. & M. (Texas). General Agent, Middlewest Fire Und. (Texas). General Agent, Citizens (Texas). General Agent, Sterling (Texas).

**C. C. MCKNIGHT**  
Enid, Okla.  
General Agent, Quaker City.

**MICHAELSON & HUGHES CO.**  
Ladysmith, Wis.  
General Agents, Twin City (Wis.).

**MILLER-STUDEBAKER AGENCY**  
Topeka, Kans.  
General Agents, Connecticut Fire (Kans.). General Agents, Inter-State Fire (Kans.). General Agents, City of New York (Kans.).

**MILLIGAN BROS.**  
Aberdeen, S. D.  
General Agent, St. Paul F. & M. (S. D.).

**GEORGE E. MOORE**  
Denver, Colo.  
General Agent, City of New York (Colo.). General Agent, Carolina (Colo.).

**MORRISON & CO.**  
Omaha, Neb.  
General Agents, Globe & Rutgers (Kans., Neb., Colo., S. D.). General Agents, Camden (Kans., Neb., Ia., S. D.). General Agents, Eastern Underwriters of Camden (Kans., Neb., Ia., S. D.).

**MORRISON INSURANCE AGENCY**  
Sioux Falls, S. D.  
General Agents, Nat'l Union (S. D., Minn.).

**NELSON-COOPER**  
Grand Forks, S. D.  
Massachusetts F. & M. (S. D.).

**OLINGER, GUTHRIE & BREWER**  
Wichita, Kans.  
General Agents, Twin City (Kans.). General Agents, Middlewest Fire Und. (Kans.).

**OLINGER & GUTHRIE**  
Oklahoma City, Okla.  
General Agents, Twin City (Kans., Okla., Tex.).

**W. J. OTGEN**  
Enid, Okla.  
General Agent (Oklahoma). General Agent (Okla. and Texas). General Agent (Kans. and Texas). General Agent, Niagara (Kans., Mo., Okla., Texas). General Agent, Security (Texas).

**REYNOLDS BROS.**  
Fremont, Neb.  
General Agents, Niagara (Neb.). General Agents, Twin City (Neb.).

**A. J. SHAW INVESTMENT CO.**  
McPherson, Kans.  
General Agents, Security (Kans.). General Agents, Rockford Underwriters (Kans., No. Okla.). General Agents, New Haven Underwriters (Kans., No. Okla.).

**SNYDER BROS.**  
Louisville, Ky.  
General Agents, Twin City (Ky. and Tenn.). General Agents, Northwestern (Tenn.).

(CONTINUED ON PAGE 18)

## SERVICE IN THE HAIL FIELD

The Van Arsdale & Osborne office issues all its hail policies from the Wichita office the same day the applications are received. Does that mean anything to you?

We also do our own adjusting in a manner that leaves no room for complaint, and that assures each of our agents' clients prompt and fair treatment. We believe that in order to get first class service you must also render it. Promptness is one of our watchwords.

## VAN ARSDALE & OSBORNE

Organized 1897

*Specialists in Hail Insurance*

WICHITA, KANSAS

GENERAL AGENTS

Kansas and Oklahoma—Hail Department

**ST. PAUL FIRE & MARINE INSURANCE COMPANY—The Pioneer in Hail Insurance**

*All losses adjusted by our own men and paid in the field at time of adjustment*



# Only Ten Minutes



**W**HEN nature goes on the rampage, whether in the form of lightning, cyclone, flood or hail, the damage is done in a mighty short time—a hailstorm, for instance, can demolish hundreds of acres of standing grain in less than ten minutes.

## To Agents

### THIS PAGE

Is a small size reproduction of our window display poster which will be sent to all First American Hail Agents this year. The poster itself is 12½ by 17 inches, printed strikingly in red and black on heavy paper.

This is only one item of the complete hail advertising equipment which will be available to you as soon as off the presses. Place your order now to insure early delivery of your "Selling Help."

Address: Jacob Nelson, Superintendent Hail Department, First American Fire Insurance Company, 844 Rush St., Chicago.

It may take you five months to bring your good crops to maturity—it will take only ten minutes for its destruction by hail. And remember that no section of any state is immune!

The only safe way to protect your fields is by insuring them. A policy in this reliable old line company is an absolute guarantee that every valid claim will be paid in full upon adjustment.

**Hail Business is not a Side-Line  
with us.—We Specialize in it.**

# FIRST AMERICAN FIRE INSURANCE COMPANY

*Incorporated 1925*

HOME OFFICE—New York, N. Y.—MANAGING BRANCHES—Chicago, San Francisco

**CASH CAPITAL—\$1,000,000**

ERNEST STURM, CHAIRMAN OF THE BOARD.

PAUL L. HAID, PRESIDENT.



"AMERICA FORE"

# Destructive Hail Storms of 1925

By S. D. FLORA.

THE usual annual record of millions of dollars worth of growing crops destroyed by hail occurred in 1925. Two hundred and sixty-six heavy falls of hail are mentioned in the preliminary reports of the United States Weather Bureau, published in its monthly bulletins. Seventy-one of these destructive hail storms resulted in losses in excess of \$10,000 and in 22 of them the loss exceeded \$100,000, while two of them were more than million-dollar losses, according to these reports, which can be accepted as the most reliable estimates available.

This great loss could neither be foreseen nor prevented by the individual farmer and his only recourse was timely and reliable insurance or the off chance of the crop recovering after the hail had inflicted its damage, or possibly a catch crop.

## Storms Struck at Most Damaging Time

The worst feature of this hail was that it seemed to fall when the more important crops were just far enough along to suffer the most irreparable damage. In Iowa, Illinois, and Indiana, where corn is king, the most frequent heavy hail was in July or August and in the great winter wheat states of Kansas and Nebraska heavy hail was reported most frequently in May and June, when the crop was approaching maturity.

No one knows with any degree of certainty how many million dollars worth of crops perish from year to year on account of hail, and there is no way of forecasting even a few hours in advance the location of the next hail storm.

While hail insurance companies keep a careful record of losses, practically every storm of this nature takes crops

Mr. Flora is meteorologist with the United States Weather Bureau and the Kansas Board of Agriculture at Topeka, Kan. He has always closely studied the hailstorms of the country and kept records on their national destruction. Mr. Flora here describes the most destructive losses of the year from hail in all parts of the country, showing the extent to which this damage was incurred throughout the country on crops of all kinds.

that for one reason or another were not insured and leaves losses that never get into the records.

## U. S. Weather Bureau Has Complete Records

The only national organization that attempts a comprehensive report of hail over the country is the U. S. Weather Bureau and even with its wonderful network of more than 4,000 reporting stations it is possible for hail storms to devastate whole townships and not come to the attention of the official observers. However, every fall of hail that is reported is carefully investigated and a brief summary of it is published in the Monthly Climatological Data, bulletins of the Weather Bureau that cover detailed weather conditions in each state. It is from these bulletins that the following record of 1925 hailstorms has been culled.

## Aug. 18 Storm Was Most Outstanding Loss

The outstanding hail disaster of 1925 was one that occurred Aug. 18 in Iowa. "Where the corn grows tall," and crossed the river into Illinois, another corn state.

"This storm," C. D. Reed, section di-

rector of the Weather Bureau for Iowa, says in the bulletin, "is believed to have been the worst storm in the history of the state. It developed apparently in the southeast corner of Poweshiek County and moved southeastward over portions of Iowa, Keokuk, Washington, Jefferson, Henry, Des Moines, and Lee Counties, and crossed the river into Illinois, where the damage continued. The approximate damage was \$50,000 in Iowa County, \$400,000 in Keokuk, \$360,000 in Washington, \$250,000 in Jefferson, and \$1,000,000 in Henry County. The damage could not be estimated in Poweshiek, Des Moines, and Lee Counties, but over the whole area was estimated as high as \$5,000,000 and it undoubtedly amounted to \$2,500,000."

## Damage Extended Across River Into Illinois

In Illinois this storm spread over an area west of the Illinois River and caused an estimated damage of \$10,000 in Hancock County, \$300,000 in Henderson and \$200,000 in McDonough. The chief crop to suffer in both states was corn, but windows and automobile tops were damaged and poultry killed. Some of the stones were as large as hen eggs.

The other great hail loss of 1925 that

exceeded the million dollar mark occurred in southern Oklahoma on Oct. 14. The following extract from the report of J. P. Slaughter, section director of the Weather Bureau for Oklahoma, gives an idea of the intensity of this series of storms:

## Oct. 14 Storm Was Other Big Disaster

"Severe hailstorms occurred over the southern portion of the state on the afternoon of the 14th. In Harmon County the path was 3 to 4 miles wide and extended across the center of the entire county, running east and west. The fall of hail was heavy, ranging in size from one-fourth to one-half inch. Damage to crops was placed at \$20,000; other property damage was slight. In Greer County the path of hail was 4 to 6 miles wide and 10 miles long. . . . In Comanche County the storm path was 12 miles in width and extended across the county, east and west. Crop losses were estimated at \$100,000. In north-central Stephens County hail fell over an area 10 miles wide and 35 miles long. The fall was very heavy and some stones were two inches in diameter.

## Extensive Damage To Crops Was Reported

"Crop damage, mostly cotton, was estimated at \$250,000. Damage to buildings, orchards, and live stock was great but no estimate of amount could be obtained. Over southern Garvin County the path was 4 to 8 miles wide and extended across the county east and west. Fall was heavy with some stones up to three inches in diameter. Crop damage was placed at \$400,000 and damage to other property, including poultry, \$25,000. In Murray County the path was 2

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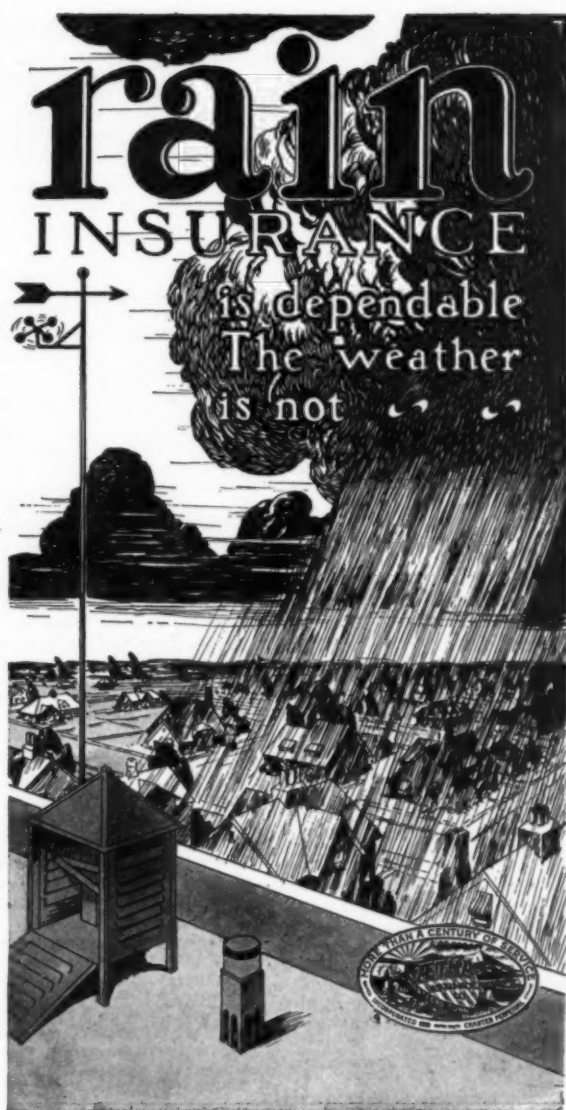
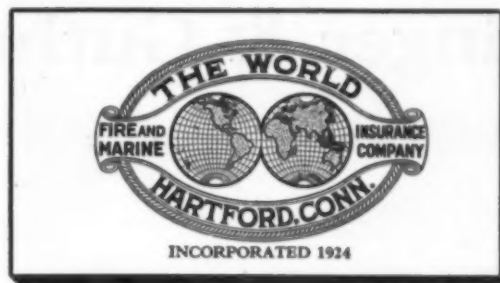
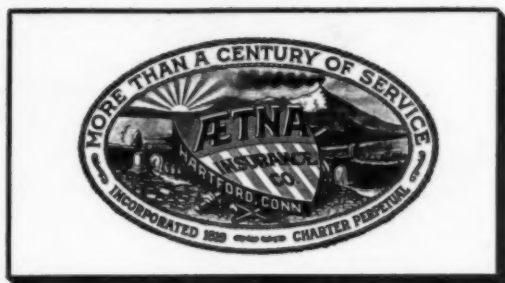
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This very striking view of an Iowa field buried under four feet of hailstones, shows the extent to which the elements may damage crops of all kinds. Hailstones in Floyd county, Iowa, where the view above was taken on June 11, 1925, were washed down and covered an acre and a half of pasture to a depth of two to four feet. This picture was taken 18 hours after the hail fell, but the summer fall of ice was deep enough to almost completely bury a yearling calf that had been killed. Some sticks and strings brought down by the hail are shown on top of the ice, but under these was almost a solid mass of ice. (U. S. Weather Bureau Photo).

miles wide and also extended across the county. Loss to crops was \$60,000, other property \$25,000. In southern Coal County path was 4 miles wide and extended across the entire county from east to west. Damage to crops, mostly cotton, was placed at \$100,000, other property losses estimated at \$50,000."

#### Reported Hail Piled Up to Depth of Four Feet

On June 11 during a hailstorm in the southern part of Floyd County, Iowa, the ground was reported to have been covered by the icy missiles to a depth of 2 to 4 inches. A stream swollen by the rain that followed carried these stones down over a pasture of an acre and a half and left it covered to a depth of 2 to 4 feet with almost solid ice. It required nearly a week of June warmth and sunshine to remove this Iowa ice pack.

As in most previous years, the 1925 hail damage was by no means confined to the middle west. On May 24 hail fell in Baltimore, Maryland, until the ground became white as snow, according to the official report. Heavy rain following washed a drift of hailstones 6 inches to a foot deep at the intersection of Charles and Lanvale streets and blocked street cars until it could be shoveled off the tracks. The following day it required three 5-ton truck loads, 22 3-ton truck loads and 15 1-horse loads to haul away the hail left in this vicinity. Within the city leaves were stripped from trees and bushes, and flowering plants, rose bushes, etc., were cut down. Conservatories in the city parks had thousands of panes of glass broken.

#### Hail Storm Season Began in April

Pages could be filled with transcripts of 1925 hailstorm records in the archives of the Weather Bureau but space prevents mention of more than a few more in this article.

As early as April 10 Georgia reported a \$100,000 hail loss in Ideal, Montezuma, Gresston, and Buckhead Counties. Near Tonkawa, Oklahoma, heavy hail on April 19 over a path 12 to 15 miles long caused \$350,000 damage, practically ruining crops where it struck.

On May 14 losses from hail in Haskell, Ford, Lane, and Pawnee Counties, Kansas, totalled \$350,000, principally to growing wheat.

On June 2 orchards in the vicinity of Method, Washington, where hail is considered rare, suffered to the extent of \$75,000. On June 10 a loss of \$190,000 was reported from Garden City and Dodge City, Kans. On the 21st North

Carolina reported a loss to cotton, corn and tobacco totalling \$250,000 in Chowan, Bertie, Beaufort, Pitt, Green, and Lenoir Counties.

Missouri had a loss of \$100,000 on June 27 in Atchison, Nodaway, and Andrew Counties. This storm was so severe in Fillmore, Mo., that many persons were injured, roofs were punctured, hogs killed, and automobiles damaged.

On July 24 Cedar County, Iowa, had a \$100,000 hail loss and on the following day Linwood, New York, had a hailstorm that damaged corn, beans, fruits, etc., to the extent of \$250,000.

On Aug. 3 Kentucky crops in Clark, Fayette, and Bourbon counties were damaged to the extent of \$125,000. On the same day Pittsfield, Wisconsin, had a \$75,000 loss. On Aug. 9, Henderson County, Illinois, reported a \$400,000 hail loss and on the 19th northern and central New York reported damage to the extent of \$115,000.

The first day of September resulted in a quarter of a million dollar hail loss in North Carolina from the vicinity of Oxford into Vance County, while southwestern Douglas County, Washington, reported a \$200,000 loss.

#### LIST OF GENERAL AGENTS (CONTINUED FROM PAGE 14)

F. & M. (Ky. and Tenn.). General Agents, Federal (Ky. and Tenn.).

#### VAN ARSDALE & OSBORNE Wichita

General Agents, St. Paul F. & M. (Kans. and Okla.).

#### WAKEFIELD, MORLEY & CO. Hartford, Conn.

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#### W. L. WILDER GENERAL AGENCY Grand Forks, N. D.

General Agents, St. Paul F. & M. (Northern N. D.).

#### J. PIERCE WOLFE Moorhead, Minn.

General Agent, Security (Minn., N. D., S. D.).

#### ZIMMER & SMITH Lincoln, Neb.

General Agents, Security (Nebraska).

#### E. M. ZUELL & CO. Mankato, Minn.

General Agents, United American Und. (Minn. and S. D.).



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Founded 1792

## Insurance Company of North America

PHILADELPHIA, PA.

Statement, January 1, 1926

Assets and Liabilities

Cash Capital.....	\$7,500,000.00
All Other	
Liabilities .....	31,029,963.01
Net Surplus ....	20,346,054.85
Total .....	\$58,876,017.86

Surplus to Policy-  
holders ..\$27,846,054.85



Organized 1904

## The Alliance Insurance Company

PHILADELPHIA, PA.

Statement, January 1, 1926

Assets and Liabilities

Cash Capital .....	\$1,000,000.00
All Other	
Liabilities .....	3,516,910.50
Net Surplus .....	2,741,556.35
Total .....	\$7,258,466.85

Surplus to Policy-  
holders ...\$3,741,556.35



Organized 1923

## Philadelphia Fire & Marine Insurance Company

PHILADELPHIA, PA.

Statement, January 1, 1926

Assets and Liabilities

Cash Capital .....	\$1,000,000.00
All Other	
Liabilities .....	1,588,119.14
Net Surplus .....	1,447,795.86
Total .....	\$4,035,915.00

Surplus to Policy-  
holders ...\$2,447,795.86

## National Security Fire Insurance Company

OMAHA, NEBRASKA

Organized 1914

Statement, January 1, 1926

Assets and Liabilities

Cash Capital .....	\$ 500,000.00
All Other	
Liabilities .....	355,525.62
Net Surplus .....	303,121.22
Total .....	\$1,158,646.84

Surplus to Policy-  
holders ....\$803,121.22

*Prompt and efficient service to local agents and the public*

## RAIN INSURANCE

on  
Income from  
Public Events



## HAIL INSURANCE

on  
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JAMES B. CULLISON, JR., Manager  
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209 W. Jackson Boulevard

Chicago, Illinois

# STATISTICS ON HAIL INSURANCE

FIVE YEAR COMPARISON OF NET PREMIUMS, LOSSES PAID AND LOSS RATIOS OF STOCK COMPANIES WRITING HAIL INSURANCE ON GROWING CROPS IN U. S.

	1925			1924			1923			1922			1921		
	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio
Aetna .....	\$ 432,780	\$ 306,393	.71	\$ 284,881	\$ 397,590	1.39	\$ 268,066	\$ 184,144	.69	\$ 87,132	\$ 99,266	1.14	\$ 156,463	\$ 106,331	.68
Agricultural .....							122,840	145,178	1.18	160,888	92,916	.57	143,398	76,672	.53
Agricultural Und. ....															
American Eagle .....	100,845	89,573	.88	45,008	25,811	.57	105,877	128,225	1.21	87,354	71,283	.82	102,421	90,538	.88
American Alliance .....										18,147	16,200	.89			
American Equitable .....										118	592		4,117	1,982	.48
American, N. J. ....	120,700	73,854	.61	255,288	262,929	1.03	62,707	58,726	.94	38,008	36,601	.96	84,982	53,125	.63
Atlas, Eng. ....					3,067		100,165	112,527	1.12	65,062	88,223	.88	29,513	25,035	.85
Atlas Und. ....															
Automobile, Conn. ....	673,011	577,889	.86	339,783	349,465	1.03	182,085	160,260	.88	60,003	61,980	1.03	81,707	46,086	.56
Camden .....	27,481	12,504	.46	66,715	33,139	.49	21,594	11,303	.53	30,003	34,263	1.14	84,507	57,835	.68
Calumet Und. ....															
Central States .....							—19,247	134	.18	24,808	11,597	.47	103,079	42,353	.41
Citizens, Mo. ....										23,475	25,449	1.08			
Columbia Fire Und. ....															
Commercial Union, Eng. ....	10,532	16,658	.85	11,613	10,361	.89	2,773	352	.13	2,377	500	.02			
Commercial Union, N. Y. ....	4,720	7,740	1.64	703	978	1.39	85	325	3.83						
Commonwealth, N. Y. ....	12,625	5,962	.47	11,511	7,800	.66	5,802	4,251	.73	3,023	1,466	.48	1,294	146	.11
Connecticut .....	116,905	114,463	.98	102,685	171,421	.89	305,704	312,430	1.03	236,094	120,487	.51	254,785	215,054	.85
Continental .....	460,728	226,827	.49	226,601	201,336	.89	270,704	240,266	.89	285,365	149,278	.56	256,113	221,709	.86
Equitable F. & M. ....													30,213	16,222	.53
First American .....	50,807	46,297	.90	13,346	10,729	.80	6,405	3,998	.62				1,413	462	.33
Federal, N. J. ....	70,051	49,952	.71	96,203	65,968	.69	128,007	88,993	.69	201,463	153,466	.76	300,403	217,806	.73
Federal F. & M. ....							486	17	.04	15,612	17,145	1.10	41,410	23,239	.56
Fidelity-Phenix .....	301,087	165,835	.55	125,898	74,343	.59	167,822	141,049	.84	203,509	119,476	.59	177,327	116,871	.66
Firemen's, N. J. ....	20,861	19,425	.92	236,171	268,313	1.13	58,367	58,338	1.01	14,149	22,247	2.28	64,715	53,051	.82
Firemen's Und. ....															
Girard F. & M. ....										1,809	773	.41	8,739	8,668	.99
Glens Falls .....							200,956	196,469	.94	250,587	170,598	.68	293,324	268,926	.91
Glens Falls Und. ....										17,955	27,829	1.55			
Globe Fire Und. ....															
Globe & Rutgers .....	643,304	658,687	1.02	335,928	258,907	.77	281,118	203,958	.72	155,076	506,673	3.26	387,029	261,087	.67
Grain Belt .....	270,000	200,000	.74	225,000	150,000	.67	159,700	75,771	.47	217,960	97,839	.45	107,062	48,638	.45
Great American .....	753,415	360,284	.48	470,002	301,883	.64	313,190	333,067	1.06	303,821	246,938	.82	602,148	416,632	.69
Great Republic .....										170,674	108,573	.60	140,080	72,168	.52
Hand-in-Hand Und. ....															
Hartford .....	3,169,271	2,116,321	.66	1,775,432	1,405,495	.78	2,580,285	1,805,471	.70	1,829,432	1,330,510	.72	2,190,835	1,738,802	.79
Hawkeye Securities .....							580,335	609,167	1.05	480,656	413,661	.84	488,011	241,545	.49
Henry Clay .....										31,927	13,432	.41	13,080	3,929	.30
Home, N. Y. ....	1,370,081	972,617	.70	1,327,383	1,133,419	.84	1,463,322	1,581,825	1.08	1,433,007	873,921	.61	2,036,180	1,634,544	.80
Hudson .....	107,321	73,353	.68				41,501	42,462	1.07	33,441	31,802	.95	48,339	28,419	.59
Ins. Co. of N. A. ....	500,081	367,794	.73	194,349	239,685	1.23	188,203	171,019	.91	147,307	27,396	.19	140,631	25,579	.18
L. & L. & G. ....	79,785	42,156	.53	44,373	36,473	.82	86,405	103,953	1.20	60,353	68,404	.99	128,209	79,893	.62
Mass. F. & M. ....										8,263	4,734	.57			
Mechanics, Pa. ....										50			3,241	2,727	.84

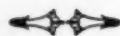
(CONTINUED ON PAGE 22)

## THE ELMER F. BAGLEY INVESTMENT COMPANY

Established 1895

Capital \$200,000.00

Columbian Building, Topeka, Kansas



### General Agents and Managers

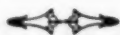
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D. ARTHUR WOLF, Treasurer





## RAIN AND HAIL DEPARTMENT

JAMES B. CULLISON, Jr., Manager  
S. K. BJORNSON, Asst., Manager  
209 W. Jackson Blvd. CHICAGO, ILLINOIS

## STATEMENT JANUARY 1, 1926

Cash Capital \$3,500,000.00 All Other Liabilities, \$15,570,909.52 Net Surplus, \$6,692,360.38  
Total Assets, \$25,763,269.90 Surplus to Policy Holders, \$10,192,360.38 Losses Paid Since Organization, \$120,604,916.47

### Rain Insurance Indemnifies For Loss of Income or Expenses From Public Events on Account of Rain

Agents  
Get Your  
Rain  
and  
Hail  
Supplies Now



Keep Up With  
the Times  
and Make  
Commissions  
on  
These Lines

PLOWING UNDER WHEAT CROP TOTALLY DESTROYED BY HAILSTORM

### Hail Insurance on Growing Crops Indemnifies For Loss or Damage to Crops By Hailstorms



INCORPORATED 1924

## SENTINEL FIRE INSURANCE COMPANY

OF SPRINGFIELD, MASSACHUSETTS

## RAIN AND HAIL DEPARTMENT

JAMES B. CULLISON, Jr., Manager  
S. K. BJORNSON, Asst., Manager  
209 W. Jackson Blvd. CHICAGO, ILLINOIS

## STATEMENT JANUARY 1, 1926

Cash Capital, \$500,000.00 All Other Liabilities, \$93,654.92 Net Surplus, \$515,913.27  
Total Assets, \$1,109,568.19 Surplus to Policy Holders, \$1,015,913.27

## (CONTINUED FROM PAGE 20)

	1925			1924			1923			1922			1921		
	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio
Merchants, N. Y.	51			120,374	70,966	.59	148,584	150,294	1.01	108,558	34,654	.33	188,777	191,662	1.02
Mercantile, N. Y.	1,230	114	.09	15,051	34,178	2.27	18,051	16,047	.89	11,517	5,346	.45	20,074	7,914	.39
Middlewest Und.										106,477	66,650	.61			
Minneapolis F. & M.							158,818	175,931	1.11	106,943	105,841	.99	230,440	152,374	.66
National American	95,434	48,536	.74	39,727	34,379	.86	46,255	30,374	.66	51,233	56,357	1.10	62,513	29,424	.47
National, Conn.	123,511	78,101	.63	125,583	131,201	1.04	141,067	169,181	1.20	188,065	192,327	1.02	448,477	164,148	.37
National Sec., Neb.	48,584	53,325	1.09	7,419	4,784	.64	9,191	4,731	.52	15,505	22,744	1.47			
National Union	34,483	204,661	6.00	235,058	207,826	.88	111,332	130,539	1.17	48,502	31,605	.65	75,431	57,336	.76
New Haven Und.										20,519	13,416	.65			
New York Und.				50,174	60,082	1.02	53,648	65,679	1.22	67,152	60,790	.90	78,338	56,441	.72
Niagara	298,207	157,491	.52	184,055	103,443	.56	239,408	299,904	1.25						
Niagara-Detroit Und.										106,049	110,867	.57	153,023	25,949	.17
North American Nat.										4,339	2,167	.45	8,352	4,549	.55
North British & Merc.	39,006	17,154	.43	25,062	14,400	.57	10,042	6,560	.65	19,303	17,247	.89	19,077	4,196	.22
North River	28,264	18,287	.64	75,005	85,664	1.13	19,032	12,039	.63	368,060	314,810	.85	568,780	400,468	.71
Northwestern F. & M.	316,848	192,381	.61	205,406	193,053	.94	301,140	261,573	1.20	20,806	4,850	.23	12,876	5,354	.42
Ohio Valley F. & M.										34,497	27,467	.80	80,491	29,880	.37
Omaha Liberty							78,743	72,972	.93	48					
Palatine	11,235	7,142	.63	5,883	4,585	.78	273	289	1.42						
Pennsylvania	10,225	5,385	.52	14,587	8,942	.61	2,335	1,793	.77	1,188	394	.33	794	764	.96
Phoenix, Conn.	204,027	189,490	.92	138,577	171,926	1.24	456,039	454,264	.99	206,109	90,422	.44	242,700	227,600	.93
Providence Washington	321,778	225,579	.70	164,073	148,879	.91	111,798	123,995	1.11	103,078	105,515	1.02	130,157	69,269	.53
Queen City	24,815	17,276	.69	2,900	3,077	1.06	3,768	1,611		8,865	17,551	1.78			
Richmond, N. Y.										27,435	1,137		18,594	4,347	.23
Rochester Dept.							228,584	298,857	1.33	178,943	140,583	.78	238,501	174,275	.73
Rocky Mountain										120,170	70,879	.59	154,046	100,416	.65
Security, Conn.	347,381	262,952	.75	310,734	180,097	.58	215,334	230,612	1.07	144,043	117,564	.81	238,064	167,693	.70
Springfield F. & M.	468,177	357,039	.76	275,100	264,190	1.32	217,335	175,137	.81	147,301	77,444	.52	173,708	77,691	.45
State, Ia.										58,746	26,404	.45	190,785	82,135	.41
St. Paul F. & M.	856,582	496,280	.58	617,043	432,174	.70	337,627	311,568	.92	422,339	333,152	.79	638,571	259,412	.41
Sterling, Ind.	51,372	47,203	.92	58,430	45,844	.78	35,256	20,507	.58	16,876	16,354	.97			
Twin City	580,606	421,404	.72	108,519	134,458	.80	158,543	171,141	1.08	108,477	66,650	.61			
U. S. Fire	106,383	46,345	.44	172,371	201,552	1.16	90,817	85,342	.94	40,055	50,405	1.26	86,797	56,742	.65
Westchester	321,785	321,341	.98	100,340	149,846	.90	287,474	279,303	.97	202,207	158,248	.60	310,506	264,792	.85
World F. & M.	35,570	51,468	1.44												
	\$13,728,505	\$9,551,154	.62	\$9,558,533	\$8,194,868	.85	\$11,249,492	\$10,521,979	.94	\$9,885,139	\$7,364,378	.75	\$12,022,580	\$8,809,005	.67

‡ Discontinued. † Reinsured. \* Figures are for Farmers of Iowa, prior to 1925.

## REINSURANCE COMPANIES

	1925			1924			1923			1922			1921		
	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio
American, N. Y.				\$ 3,704	\$ 5,951	1.61	\$ 4,582	\$ 3,613	.79				\$ 17,707	\$ 7,308	.41
Federated Fire Reins.							274,570	268,044	.98	\$142,905	\$128,425	.90	210,909	110,148	.52
Fire Reinsurance	\$ 202,437	\$ 91,252	.45	232,115	87,315	.37	249,404	111,468	.45	317,479	224,287	.72	17,005	7,645	.43
Globe National													53,120	21,897	.41
Inter-Ocean Reins.	790,544	268,210	.34												
International										3,088	4,712	1.28	36,548	32,813	.89
Jakor										295	1,462	5.52	12,351	5,838	.46
La Cubana Nacional							7,718	3,637	.47	9,057	6,247	.68			
Mechanics & Traders				2,800	2,045	.71	0,720	9,817	1.46	3,546	4,225	1.19	14,012	6,827	.48
Norwegian Atlas													53,270	23,325	.44
Reins. Salamandra	3,179	3,693	1.16	14,533	39,207	2.69	62,947	65,629	1.05	22,225	14,423	.65	16,739	4,266	.25
Rosalia	14,780	7,102	.48	15,724	35,443	2.32	9,219	11,465	1.24	2,646	5,820	2.19	39,728	16,689	.42
Salamandria, Russia										15,858	9,764	.62			
Second Russian				750	2,060		56,040	56,861	1.01	11,823			23,306	19,198	.81
Skandinavia	1,118	923	.82	2,376	3,829	1.61	3,772	6,331	1.65	567	2,313	4.08	13,380	6,442	.48
Warsaw										6,016	4,165	.69			
	\$1,012,004	\$371,180	.37	\$372,008	\$176,898	.45	\$609,080	\$536,808	.80	\$536,985	\$405,850	.76	\$503,004	\$262,196	.52

‡ Discontinued.

## MUTUALS

	1925			1924			1923			1922			1921		
	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio
Capital, Neb.	\$ 10,433	\$ 3,049	.29	\$ 14,141	\$ 9,992	.71	\$ 35,940	\$ 34,519	.96	\$ 50,114	\$ 57,789	1.14	\$ 90,320	\$ 29,965	.33
Des Moines Mut.	30,390	30,309	.83	100,980	29,119	.29	71,481	19,648	.28	82,835	44,079	.53	65,514	16,673	.25
Equity, Mont.										37,968	51,652	1.37	60,287	77,921	1.12
Farmers Hall, Kan.				35,854	18,977	.53	30,108	51,815	1.43	55,420	29,565	.53	64,007	18,761	.29
Farm Mut. Hall, Ia.	1,437,440	974,141	.67				924,530	350,987	.38	955,094	716,769	.75	635,025	192,513	.30
Farm Un. M. Hall, Kan.	39,960	24,981	.62				118,632	151,340	1.27	204,737	203,818	.99	277,627	121,598	.44
Harvesters Mut., Ia.	73,505	32,176	.44	47,908	9,394	.20				40,916	21,633	.43	25,350	4,318	.15
Kansas Home Hall										20,032	7,907	.39	34,579	14,101	.41
Mich. Mut. Hall				58,068	44,268	.76	42,823	32,180	.75	88,580	74,728	.84	90,167	74,670	.83
Nebraska Nat.										48,404	30,088	.62	57,600	21,074	.37
Ranchers Hall, Mont.				14,378	3,134	.22	5,201	2,238	.43	13,085	10,103	.74	50,833	34,305	.67
Southern Mut., Tex.	155	13	.08	106,040	33,179	.31	81,714	25,663	.31	63,522	39,817	.63	62,510	47,086	.75
Standard Mut., Ia.				17,391	8,192	.47	15,084	4,878	.32	19,548	8,925	.45	27,345	13,128	.48
St. Paul Mut. Hall & Cyl.							34,261	20,210	.59	103,733	163,599	1.48	251,915	224,002	.89
State Farm M., Minn.				141,073	355,863	2.52	479,206	276,911	.58	418,723	360,752	.86	335,487	173,213	.51
Union, Neb.	65,504	28,221	.43	43,115	32,414	.75	40,993	25,253	.62	58,253	51,477	.88	74,000	17,445	.23
	\$1,063,462	\$1,092,890	.66	\$579,606	\$444,532	.77	\$1,892,708	\$995,642	.53	\$2,270,874	\$1,912,751	.84	\$2,219,061	\$1,080,773	.49

‡ Discontinued. \* Not yet reported.

## STATE HAIL INSURANCE FUNDS

	1925			1924			1923			1922			1921		
	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio	Premia.	Losses	Loss Ratio
Nebraska	\$ 28,056	\$ 25,828	.92	\$ 73,580	\$ 137,114	1.87	\$ 82,702	\$ 83,311	1.01	\$ 146,882	\$ 243,803	1.66	\$ 135,092	\$ 38,532	.28
North Dakota	1,008,370	1,367,293	.81	1,527,410	1,559,816	.85	3,940,836	3,732,400	.95	4,746,807	3,413,728	.72	5,970,503	2,269,361	.38
Oklahoma													15		
South Dakota	644,779	561,471	.87	2,317,020	2,367,589	1.02	1,150,055	1,367,966	1.18	1,107,170	1,200,925	1.03	1,064,907	1,231,669	1.12
	\$2,341,905	\$1,954,592	.83	\$4,218,022	\$4,064,519	.96	\$5,180,253	\$5,183,577	.99	\$6,000,805	\$4,858,456	.80	\$7,109,517	\$3,539,562	.49

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WALTER D. WILLIAMS, MANAGER



# Hints for Hail Insurance Adjusters

By S. K. BJORNSON

THE successful hail adjuster must above all things be a gentleman—even tempered, honest, diplomatic and thoroughly familiar with the crop he is going to adjust. To be really successful an adjuster must gain the confidence and respect of the insured by fairly and impartially representing the interests of both insured and insurer. His sole aim should be to establish, efficiently and accurately, without fear or favor, the actual loss sustained. He must be fully informed regarding the conditions of the policy contract and the various causes, other than hail, which may have damaged the crop to be adjusted. In addition to the foregoing, an adjuster must thoroughly understand and have a definite knowledge of practical farming and cultural methods.

## Must Have Authentic Information at Hand

In order to obtain correct and authentic information, which at the same time will convince the claimant, we know of nothing better than agricultural bulletins published by the United States Department of Agriculture, the various State Agricultural Colleges and State Agricultural Experiment Stations. Be certain of your knowledge and its correctness. If you are, you will talk convincingly but seldom have to resort to proof in support of your statements. To be prepared it is well to carry with you publications bearing on such topics as are likely to come up. Also to have a small magnifying glass for use in demonstrating injury by insects or disease.

When proceeding with an adjustment, always bear in mind that five minutes of honest demonstration is more convincing than hours of argument. Never

S. K. Bjornson, assistant manager of the hail departments of the Aetna, Springfield and North America, here presents some hints for hail insurance adjusters. This is but a brief summary of the discussion being presented by Mr. Bjornson before the regional conferences of adjusters throughout the hail territory and only sums up the general order of procedure on the field. It is being used as a basis for the more elaborate discussion, but it gives in brief a very good idea of what is expected of an adjuster and what are the characteristics and qualifications looked for in this representative of the company.

make a statement you do not know to be true. Always ascertain beyond doubt:

1. That policy was in force at the time of loss and the company is liable.
2. That you are in the field described in the policy.
3. That the description of crops is correct.
4. That date and hour of loss was as stated in the loss report.
5. That insured's interest and ownership is as stated in the policy.
6. That the number of acres is as stated in the policy.
7. That the amount of insurance, in all companies, is not in excess of permissible limits.
8. That the crop is not overinsured.
9. That you are dealing with the insured or his legally constituted attorney.

## Some 500 Factors To Be Looked For

The hail policy provides for adjustment and payment of loss on the basis of the same proportion of the insurance applying as is the per cent of loss and damage, by hail only, to the crop. Such being the case, all hail adjustments must

be predicated on percentage, and the adjuster should at all times talk in terms of percentage and adjust on that basis.

We will not attempt in this article to enumerate the more than 500 insects and diseases common, or at least known, to growing crops. Separate articles dealing with all of the principal crops, are available to adjusters upon application to their respective companies. These articles have been carefully prepared and contain only authentic information, most of it taken from the Agricultural College and Station bulletins. It is well to bear in mind, though, that the average claimant will rather rely on first hand statements contained in such publications if you can show him the original bulletin, than if you show him extracts from the same bulletin in publications put out by the companies. Hence the necessity for carrying a certain amount of such publications with you.

## Should Have Current Data Ready for Use

In addition to Agricultural Bulletins, an adjuster should have Weather Bureau

publications, particularly such as will contain first killing fall freeze date by years, last killing spring freeze date by years, and monthly rainfall by years. Very often a set-back is claimed on certain hailed crops, increasing the possibility of such crops being caught by fall frosts. Reference to Weather Bureau records is the only satisfactory way to determine the possibly increased danger of fall freeze to the hailed crop.

The main thing to be borne in mind is the need for a standardized method for the adjustment of hail losses. The hit and miss method of guessing, politely called estimating, a loss by hail to growing crops, can no longer be tolerated. Correct and uniform methods must be adopted. That anyone can guess the percentage of damage by hail to a growing crop correctly is just as improbable as the correctness of any other guess.

## Careful Count Should Always be Made

An adjuster should always count the loss carefully and explain every step to the claimant. The first step is to determine how many individuals (straws, fruit, etc.) are to be taken for each count. As you will have to reduce each count to percentages, it is always best to count 100 or even multiples thereof. After the location of the count is established, the next step is to count the straws, plants, or fruit. In doing so, every straw or individual must be counted until 100, or other agreed number is reached. (Include diseased, broken, hailed, stunted, etc.) and then count the number of sound straws damaged by hail only. Divide the num-

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Minneapolis, Minn.

ber of hail damaged straws by the total included in the test and the result will be the percent of loss by hail, by which is multiplied the insurance applying, in order to determine the amount of the loss. By proceeding as above, it is not necessary to reduce the policy on account of damage other than hail. If the claimant wants to base the percent of damage on the ratio of the hail damaged portion to the sound crop remaining, then the insurance should be reduced in the same ratio as is the percent of loss by causes other than hail.

#### Tests to Be Made Depend on Field

The number of tests depends upon the size of the field or orchard and the condition of the crop. It is well to remember that the more tests made, the more accurate will be the result.

After a sufficient number of tests is made, the actual percent ascertained should be the percent shown on the proof of loss. Even figures 5, 10, 15, 25 percent, etc., seldom are found where an adjuster is applying the test method and adjusts on the basis of the tests. At least 90 percent of the 5-10-15 percent adjustments are either guesses or compromises—Compromise awards must

always be so shown on the adjustment report.

We well know there will be times when it is not possible to count accurately the loss, and even times when it cannot be counted at all. In such cases careful judgment should be exercised. However, since no liability attaches on grain until 75 percent of the plants have jointed, and no liability on corn until 75 percent of the plants have formed the second joint above the ground, it will be possible and practicable to determine by actual test at least 95 percent of all losses.

#### Second or Subsequent Losses Confusing

The manner of handling second or subsequent losses, in years past, has been very confusing and anything but uniform. The first thing to remember is that the amount of insurance carried is predicated on a "sound" or 100 percent crop, but as soon as loss is sustained, and adjusted the crop is no longer a 100 percent crop. Two conditions, one of which will confront adjusters in the adjustment of all second or subsequent losses are as follows:

1. Second or subsequent losses where

the damage from all losses to date is visible.

2. Second or subsequent losses where the damage from first or prior losses is not visible.

In the first case the adjuster will determine the total percent of damage from hail to date. From this total percentage so ascertained, deduct the percentage previously paid and apply the remaining percentage to the full amount of insurance, i. e.:

Policy \$10 per acre on 100 acres...\$1000  
June 1, 1st loss 8%.....\$80  
June 10, 2nd loss reported, 1st loss still visible. Total loss to date found to be 21%. Proof should read 13% (21%—8%) on 100 acres at \$10 per acre or.....\$130  
(In addition to previous awards.)

In the second case given we will assume first loss to have been as of June 1st and adjusted at 22 percent. A second loss is sustained on July 5th and adjuster finds that the evidence of first loss is not visible. The insured having been paid a 22 percent loss the crop remaining is only 78 percent of the crop insured. The adjuster will then proceed as follows:

- Determine percent of loss in the usual

manner. Loss, we will assume, is found to be 37 percent, but inasmuch as remaining crop is only 78 percent of the crop insured, the percent payable on the original and full amount of insurance is 37 percent of 78 percent or 28.86 percent of the full and original amount of insurance, i. e.:

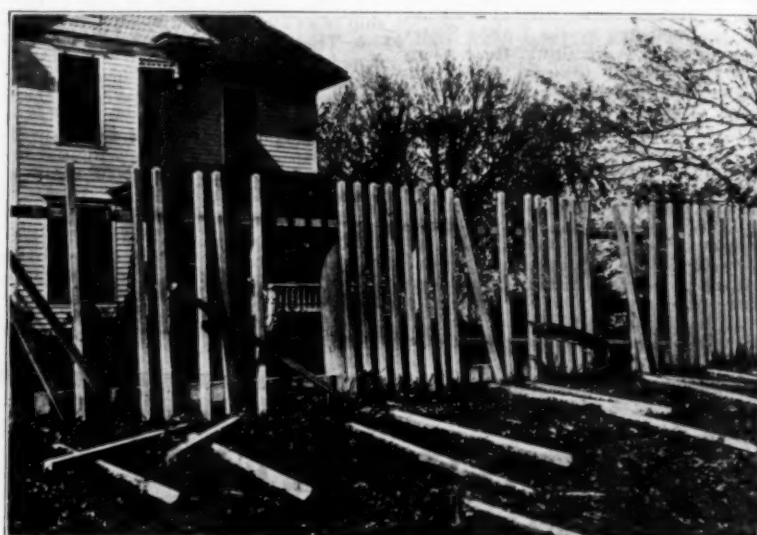
Policy \$10 per acre on 100 acres...\$1000  
June 1st, 1st loss 22%.....\$220  
July 5th, 2nd loss 37% of 78% or 28.86%.....\$288.60  
(In addition to previous awards.)

You will observe the insured has been paid a total of 50.86 percent or \$508.60.

The same result would be obtained by reducing the insurance by the amount of loss previously paid (\$220.00), and applying to the reduced amount of insurance (\$780.00), the gross percentage (37 percent), but in that procedure both proofs would show total percent awarded as being 59 percent and the amount paid as only \$508.60. We therefore prefer to adjust on the basis of crop residue rather than on the basis of reduced insurance. However, where adjusters cannot get insureds to understand the procedure as outlined, they may adjust on the basis of reduced insurance.



The cornfield shown above was in the countryside immediately surrounding the town in which the fence damage shown in the adjoining columns was incurred. This storm occurred Aug. 18 and swept southeastern Iowa, notably in the vicinity of North English, South English and Washington. Trees, fences and crops of all varieties were destroyed by the onslaught of the huge hailstones. This cornfield was in just the same condition as far as the eye could see after the storm. (Photo from Hartford Fire).



Above is shown the disastrous result of a severe mid-summer hailstorm. This is not a case which was covered by hail insurance on growing crops, but it illustrates what would happen to the crops in the immediate vicinity of this home. The hailstones were so large and came down with such force that they ruined this fence as well as much surrounding property. Extensive property damage of this nature was done and trees were stripped of their foliage. (Photo from Hartford Fire).

**WE ARE PIONEERS** in the hail insurance business.

**THIRTY-THREE YEARS** of Exclusive, Intensive Hail Insurance Study.

We issue policies and adjust and pay losses in the field.  
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## Need for Real Underwriting by Hail Agents of Prime Importance

By W. J. McGLADREY.

W. J. McGladrey is hail special agent and adjuster for the Fidelity-Phenix in Minnesota. Mr. McGladrey has been very successful in producing hail business and also in holding down the losses for his business. He has always operated on the principle that hail insurance requires as much underwriting as any other branch of insurance coverage and that it is up to the individual agent to cooperate in so underwriting the business that it will prove profitable to the companies.

THE primary object of hail insurance from the agent's, as well as from the company's standpoint, is of course to make money. We know only too well that the business from the company's standpoint has not been uniformly profitable. Indeed, it comes nearer being uniformly unprofitable. In the long run no business can be profitable for the agent that is so often unprofitable for the company.

When, through excessive losses and expenses, some companies quit certain territory, and the ones remaining change plans, the agent frequently loses in good will and friendship, as well as in cash. The earnest farsighted agent must see that it is to his interest to help the company to make a reasonable profit on the average.

We have been too prone to consider the hail losses as a dispensation of Providence, and think that nothing can be done to help the situation. As a matter of fact, in my opinion, hail business can be underwritten as is other lines of insurance. No company having any idea of underwriting would insure the building of a man who had a fire three or four times in a summer, and that every summer he is insured. In the past, companies have gone on insuring the grow-

ing crops of farmers who have reported two, three, four and even five losses in a season. This in view of the fact that said farmers have either signed releases in most cases, or have only been paid a nominal loss to get the cases closed up. This does not look like good business to me.

The real urge that caused the writing of hail insurance in the first place, and that has really kept the business alive, was the fact that after it is too late to replant, and the crops are too far advanced to recover from a killing hail, such a hail comes and harvests the crops and leaves the farmer nothing to haul to market or to feed his stock. The fear that such a calamity may overtake him is the reason he insures, if he is an honest man and not a premium retriever.

The little immaterial losses from which the crops usually recover are the ones that eat up the premiums and run up adjustment expenses, and so ruin all chance for profit. When this is made clear to all reasonable agents, they see the matter in the right light. As a matter of fact, what we need is to weed out all agents who are agents of the assured only, and retain those who are agents of the company as well as of the assured. Such men will aid in the mak-



Above is shown a severely damaged dark tobacco field in Henderson, Ky., that was injured in an August hailstorm. This not only illustrates the damage to which tobacco is subject, but shows the necessity for careful field adjustments. One-half of the field above is devoted to the dark tobacco crop, while the other half is in corn. The corn shows only slight damage, while the tobacco field has been severely hit.

ing of profit in two ways. First, they will co-operate with the company in refusing to write chronic claimants. Second, they will discourage sending in loss notices where the loss is only nominal, or where there is no loss at all. Every loss notice sent in costs the company several dollars. Many 'premium retrieving' assureds send in loss reports in the hopes they may at some time during the season get their premium back. This sending an adjuster so often is a needless expense, and reacts on the premium rate.

If a profit is to be consistently made in the hail business, there must be better co-operation between companies, and

between the agent and the company. If the agent is to make a consistent profit he must co-operate with the company to eliminate chronic claimants. Then when a genuine loss comes that deprives the farmer of the toil of a season in full, or in a large part, he will be paid cheerfully, and a firm friend made for the agent. If this co-operation can be secured, though there will be localities where the business will not be profitable, taking it one year with another, the companies will make money, and the agents who act in good faith toward both company and assured, will have a steady, lasting, and profitable business definitely established.

# HAIL

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Insurance Company  
New York**

ASSETS Exceed  
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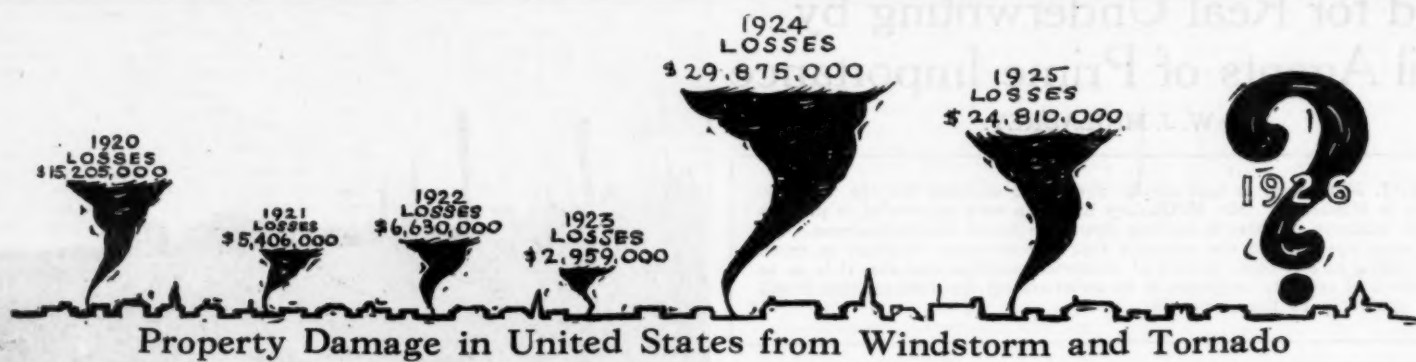
Losses Paid Exceed  
\$165,000,000.00

**BLACK AND ARMSTRONG**  
*Hail Managers*

REGINA

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CALGARY



U. S. Weather Bureau Figures

# Who Would Dare

—predict the 1926 Tornado Loss?



The tornado sends out no advance notices as to the time of its arrival and no indication as to the number of its visits during the season—and what if it did? At best, all that a property owner could do would be to move away from the threatened property.

*Tornado and Windstorm* insurance is the property owners' only defense. No man is tornado immune because he holds a windstorm policy, but he is assured that he will be promptly reimbursed for any loss he might sustain from them.

*Your clients need this coverage—now is the time at the beginning of the Tornado Season to acquaint them with the necessity for it.*

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# Tornado Insurance Section

**T**ORNADO insurance continues to forge ahead into the foreground of insurance sidelines, becoming more firmly entrenched than ever in 1925. It is still a virgin field for the local agent to develop, for its possibilities are equally as great as the half billion fire insurance business and, with the repetition of many more seasons like that of 1924 and again that of 1925, the agent should find it as easily sold as is fire insurance. Some agents have, indeed, already awakened to this realization and fully cashed in on the opportunity in their local fields. One agency wrote \$2,000,000 of tornado liability in two weeks last summer and another reported the sale of a like amount in a single day, the anniversary of a great disaster in that city several years ago. Similar examples are cited in all sections of the country and those who are making the best of their opportunities to develop new and increased business are profiting richly from this source.

**T**HE figures on the business of the 1925 season indicate that agents generally awoke to the situation last year. After the disastrous Lorain tornado of 1924, it was expected that the returns for that year would show a very gratifying increase in premiums, but the contrary was true, premiums just barely holding their own that year. Last year, however, the disastrous Murphysboro tornado appeared to have a more convincing appeal to the agency ranks and the insuring public, for the premium increase was, indeed, gratifying. It was sufficiently large to permit the companies to enjoy a reduction in the loss ratio, despite the great losses incurred in Illinois and Indiana.

**T**HE 1925 premium income of \$36,403,287 was an increase of nearly 35 percent over the 1924 total of \$27,265,916 and was more than double the total written in 1921. The loss ratio was 36 percent, still fairly high for tornado insurance which for years was able to remain within the bounds of 25 to 35 percent, but a marked reduction from

the disastrous loss ratio of 49 percent in 1924.

**T**HE improvement in the loss ratio is accounted for by the great increase in tornado premiums, while losses remained about the same. It also indicated that the greatest increase for the year was on city business, as the farm business, which has shown an increasing loss ratio in recent years and has become a source of worry for farm writing offices, showed little improvement during 1925. Farm agents are now covering their territories very well with tornado insurance and many agents now report a tornado business of very nearly 100 percent of their fire business. This, of itself, would increase the losses and even the loss ratio on farm business, for where a territory swept by a storm would formerly report a scattered loss, it now very nearly represents a total insurance loss in many places. That there is still room for the development

of this farm business can be seen, however, by the fact that insurance liability on the farms under tornado coverage is still less than one-fourth of the farm valuation in middle western territory, the chief tornado belt, and far less than that in other sections of the country.

**C**ITY business has an even greater field for development, as there are comparatively few cities that can boast of more than a scattered coverage in this branch of the business. Last year's increase in this class is an indication that it is being realized by both agents and policyholders and the future should see a still greater growth of the business, until tornado liability equals fire liability. It may soon be looked upon as fully as essential as fire insurance by the business man and householder alike. In many localities this is being brought to the fore by bankers and those extending credit who require adequate tornado insurance, as well as fire insur-

ance, on the property of the one seeking credit. It is becoming more generally realized that fire insurance, long required by creditors, is of little value unless accompanied by protection against the wind, which may wipe out the property in a moment. Fire can be fought, but no human effort can check the force of the wind.

**A**NOTHER development of the past year in the tornado field has been the writing of the hail endorsement on tornado policies at a very slight additional premium. Both in 1924 and 1925 the companies were faced with many losses of a dual nature that caused much annoyance in adjustment and it became apparent that an additional charge should be made to cover hail damage, which was incurred at the same time as the tornado or windstorm. Policyholders could not be satisfied when adjusters attempted to draw the line between wind and hail damage, even though within policy provisions. This hail endorsement was offered by the companies and has been readily grasped, one company alone reporting premiums of \$100,000 from this endorsement alone. With the extension of this additional coverage, which is not only added protection, but an additional sales approach for the agent, windstorm adjustments will be greatly facilitated in the future.

**T**HE tornado experience in 1925 was not disastrous, taking the season as a whole, as it was in 1924, but last year was marked by the most disastrous single tornado this country has ever experienced in 30 years, the devastating storm that swept across Missouri, Illinois, Indiana and Kentucky, resulting in over 800 deaths, nearly 3,000 injured and property loss of over \$15,000,000. It was more disastrous than the tornado that swept Ohio in 1924, then the record since the St. Louis storm of 1896. There were not many other tornadoes last year, however, that were of sweeping nature, the average run of windstorm losses being reported from all sections of the country.

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# Farm Business Is Attractive Field

**N**EARLY every agent who is interested in hail and tornado insurance is vitally interested in farm business. Farm business is as naturally linked up with tornado business, as is fire and sprinkler business. This is particularly true in recent years, as the farm agents in most localities have greatly augmented their premium income and hence their commission income by combining the two branches of insurance. Many farm agents now report that, with but few exceptions, every fire policy in their offices is now written for combined fire and tornado. Those agents who have not yet advanced their business to this degree have a rich field for development still before them and one that can readily be covered, if the reports of those who have done so account for anything.

## Easiest to Sell in "Windy" Season

Tornado insurance, though not as strictly a seasonal proposition as hail insurance, is somewhat of a seasonal factor, unless a strenuous effort is made to keep it constantly before the agency clientele. However, regardless of what efforts are expended at other seasons, the greatest results can be obtained during the wind months, naturally. Farmers are generally inclined to follow the philosophy of the "Arkansas traveler" who didn't need the roof patched when it wasn't raining and couldn't patch it when it was raining. In times when windstorm damage is not imminent, it is difficult to persuade him that he needs a tornado policy, if he is one who has not been carrying this coverage in the past. True, he can be shown by statistics and news reports that there is no "safe" season today as far as the wind is concerned and windstorm damage may be incurred in any one of the twelve months and in any locality, but it is much simpler to bring him down to facts in the months of March to October, when real windstorm damage is seen on all sides.

## Farmer Can Be Shown Need for It

This is tornado insurance season and the agent who has not yet written his clients 100 percent on tornado coverage could profit by concentrating right now on this form of protection by advertising

and by personal solicitation. The farmer can be shown the necessity of protection from the ravages of the elements and he can be shown that his isolated property, standing out where the winds can have full play, would be greatly endangered by even a strong wind, as well as a sweeping tornado. Coming at this season, it would be particularly disastrous for him to be faced with any loss that would require cash outlay. In many instances it might be disastrous to the farmer's financial welfare, for, with all available cash tied up in preparations for the coming harvest, it might be impossible to secure further cash to make the necessary repairs. With the tornado policy for adequate limits, the farmer can proceed with the assurance that he can go through the season without facing this hazard. In the event of a loss, repairs can proceed without hesitation, to be paid by the proceeds from the policy and he can continue to devote his attentions to his crops. They would not have to scurry around to find the additional cash or credit on which to replace the damaged property.

## Property Needs It More Today Than Before

Also, the farmer can be shown that his property today is not as safe a risk as it was in former years and more than ever in the past, he cannot afford to carry this risk himself. Modern barns and outbuildings offer less resistance to the winds than did the old type. There has been concentration of farm buildings and larger buildings, with less resistance are common. The lumber that has gone into them, in many cases, due to increased costs, has been inferior in size and quality to the old farm building that was built of huge beams and heavy timbers, created to last a life-time.

## Is a Year Round Business for Farm Agents

The sale of tornado insurance by farm agents in practically all cases is made in conjunction with the fire policy on the same property on the combined basis, there being an equal amount of tornado and fire business, except possibly for silos, and small outbuildings. For this reason, the business can be made more than a seasonal proposition, but a year round premium producer, to be handily worked in conjunction with

the regular work. Farm business is decidedly a year round business and the writing of tornado business with the fire coverage can very well be fitted into the regular program. The client can be approached on renewal dates of the fire policies, with the need for tornado protection. As mentioned, it is more easily sold at the height of the wind season, but it can be sold at all seasons, with the fire policy renewal. In fact, many find it advantageous to leave the approach for additional cover of this nature during the fall and winter months, when the farmer is budgeting and spending his year's income. That is a dangerous procedure, however, for the farmer who suffers a loss just before the agent gets around to him in his canvas would not thank the agent for not having him adequately protected against this hazard. While the client may be hard to convince of the need of the insurance, he is not slow to hold it against his agent, if he encounters a loss that is not insured in what policies he does carry.

## Company Experience of Itself a Sales Approach

There are numerous other avenues of approach that can be used, but one very forceful argument is the experience of the farm companies on their tornado business in recent years. Tornado business was formerly looked on in farm departments as a valuable side-line to offset the heavy fire losses and enable the farm departments to make a fair showing for the year. The tornado loss ratio has mounted in recent years, however, on farm business, so that it is now running very close to the fire business, as far as the loss ratio is concerned, and appears to show no abatement. The strenuous fire prevention efforts of the companies is expected to materially reduce farm fire losses in the future, but what the future has in store for the tornado branch of the business no one can tell. It has caused some apprehension in home offices, and if they feel the windstorm losses to this extent, it can readily be seen that the farmer cannot hope to stand alone on the prairie and defy the winds.

The experience of the members of the Farm Association may be taken as an example, the figures for the five year period ending with Dec. 31, 1924, showing

a loss ratio on the tornado business of 60 percent. The figures by state, showing the range of experience, are as follows:

### 5 Year Record

State:	Tornado:	Premiums	Losses	Loss %
Illinois	....	\$ 6,130,308	\$ 2,233,567	36.4
Indiana	...	3,057,299	1,492,766	48.8
Iowa	.....	3,647,776	1,037,741	28.4
Kansas	...	1,933,496	1,080,435	55.9
Kentucky	..	1,512,060	1,351,693	89.4
Michigan	..	187,763	56,186	29.9
Minnesota	..	1,245,267	607,398	48.8
Missouri	..	1,625,689	903,127	55.5
Nebraska	..	1,613,644	788,220	48.8
North Dak.	..	1,236,440	2,013,409	162.8
Oklahoma	..	1,358,915	987,393	72.7
South Dak.	..	1,712,927	3,227,901	188.4
Tennessee	..	869,555	397,576	45.7
Wisconsin	..	2,577,532	1,117,178	43.3
		\$28,708,671	\$17,294,590	60.2

## Compared with Fire Insurance Experience

The experience compared with farm fire business, as well as the proportionate amount of tornado to fire can be seen from the following figures of the same period, showing combined fire and tornado business by states:

### 5 Year Record

State:	Combined Fire and Tornado:	Premiums	Losses	Loss %
Illinois	....	\$20,024,314	\$11,317,625	56.5
Indiana	...	8,975,941	5,434,541	60.5
Iowa	.....	11,428,949	6,572,932	57.5
Kansas	...	6,997,216	4,824,001	68.9
Kentucky	..	7,729,985	5,262,341	68.1
Michigan	..	1,282,259	1,093,466	85.3
Minnesota	..	3,345,603	2,512,147	75.1
Missouri	..	7,354,624	4,907,453	66.7
Nebraska	..	4,348,827	3,034,358	69.8
North Dak.	..	3,849,579	4,300,081	111.7
Oklahoma	..	6,103,294	4,112,844	67.4
South Dak.	..	4,498,162	5,113,907	113.7
Tennessee	..	5,198,354	3,288,445	63.3
Wisconsin	..	6,083,084	4,386,546	72.1
Totals	.....	\$97,220,191	\$66,160,687	68.1

## Big Field Yet to Be Developed

The field left for development, even in western department territory, where the farm tornado business has probably been most thoroughly developed, can be seen from these figures.



This is not shell-torn Europe, but southern Indiana, after the disastrous tornado of 1925 had swept through Missouri, Illinois and Indiana. At the right is a portion of a city. In the view above, it has every earmark of a "no man's land" of several years' standing. A close observation, however, would show the foundations of many houses, both in the foreground and as far as can be seen. This section was leveled to the ground as completely as the heaviest artillery barrage could. To the left, is shown another portion of the city, which was not as com-



pletely devastated, but which also has every earmark of shell-torn France. "Shrapnel" holes lodged in the sides of the houses. They were not made by shrapnel however, but by flying boards and debris carried many miles by the tornado. Very likely the comparison to the battle sectors of Europe could have been carried even farther, when the refugees from these towns gathered in line for the aid given by the Red Cross and other organizations. That temporary aid, however, did not replace the ruined property of the uninsured. (Photo by H. A. Fanchboner).



# Tornado Occurrence and Distribution

By JOHN P. FINLEY

THE tornado is the keystone to the local-storm arch of cyclonic weather. When the conditions of atmospheric circulation are such as to give rise to tornadic development over any locality, certain other severe local storms (hailstorms, thundersqualls and straight-wind gales) are formed and greatly extend the area of destructive violence. On such occasions the tornado, when its vortex descends to the earth is the center of maximum wind violence and destructive energy.

## Motions of Loss-Producing Winds Are Described

Losses are due to vortical or curved winds, combined with other motions incident to effect of the violent rotary action on the surrounding air, through which the funnel-shaped tornado cloud is passing. These motions may be briefly referred to as:

1. Suctional rising and falling motions.
2. General cyclonic uplift.
3. Progressive easterly trend.
4. Pendant zigzagging motions.
5. Southwest indraft currents.
6. Northwest anticyclonic down-draft.

The resultant effect of these motions on conflicting masses of air is to sharply delimit the avenue of tornadic action, increase the turbulence of the narrow path of storm movement and subject all life and property therein to maximum exposure and maximum loss. Under these tumultuous conditions of atmospheric circulation in the tornadic lane, all property losses, whether from wind, lightning, flood or fire, should be covered by the one tornado policy.

The average width of this lane of high loss potential is about 1,200 feet, and generally lies in a direction from southwest to northeast, which is the usual direction of progressive movement of tornado clouds.

## Relation of "Lows" to Tornadic Action Shown

The study of the relation of tornado regions to the form of barometric depressions (types of lows) shows that tornadoes are more frequent when the major axis of the "low" trends north and south, or northeast and southwest. The relation of the region of tornadic action to the position and intensity of the cyclonic "low" (barometric minimum of general storm center) may be stated as follows:

1. Mean distance of center of tornadic action from center of "low," about 450 miles.
2. Mean direction of these centers, south 40 degrees east.
3. Mean temperature gradient about 10 degrees per 100 miles.
4. Mean wind direction, in the field of tornadic action, south and southeast; if from any other quarter, all of the winds are from that direction.
5. Mean distance to the region of north winds, outside the tornado quadrant, about 400 miles.
6. The dangerous octant of the "low," the southwest sector of 45 degrees.

## Tornadic Potential Varies in Different Sections

The barometric "lows" crossing the country from the west begin, in the month of March to manifest tornadic potential in the middle west, after they have crossed the Rocky Mountain plateaus.

In the case of the barometric "lows" moving northeastward from the southwestern plains, the tornadic potential begins to appear in January, and is the result of rapidly descending anticyclonic cold waves from the northwest. Thus, the Gulf and South Atlantic states are exposed to tornado losses in mid-winter. The tornado zone of the southern

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states is therefore dependent upon the "lows" (cyclonic areas) that originate over the eastern slopes of the southern Rocky Mountain region, southwestern plains, and the Gulf of Mexico. This zone sometimes extends as far north as Virginia and Maryland.

The tornado zone of the middle west, the Ohio Valley and the Middle Atlantic states, and New England derive their tornado development from the "lows" that cross the country eastward from the North Pacific region. These "lows" are of Pacific origin and many of them have crossed the North Pacific from the China Sea, following the Japan Islands, the Kuriles, the Aleutian Islands, and thence southeastward to British Columbia and the United States. Some of these "lows" are pretty well exhausted by the time that they reach the Missouri Valley, where they slow

down progressive easterly movement until regenerated and rejuvenated by a general southerly movement of air masses, moisture-laden from the Gulf. As the temperature and humidity gradients begin to increase, the tornadic potential begins to appear in the local storm sector, where tornadoes may be forecast and preparations made to reduce life and property losses as far as possible.

## Elaborate Statistical Analysis Is Given

In this paper I have presented an elaborate statistical analysis of the entire field of tornado observation and record in the United States, from the earliest available reports to and including the year 1925. It is by far the most complete record of its kind, covering the subject of tornadoes, that has ever

been presented for publication. The data embraces all the records of the U. S. Weather Bureau, in addition to those of the National Storm Insurance Bureau, and collections made from public libraries, and from historical societies throughout the country.

While additions are constantly being made to these lists, the time has come to present to the public and especially to the interested insurance groups, the results already attained, after many years of unremitting labor. An effort has been made to establish reasonable normal tornado values for each state and to show departures therefrom for both individual years and for selected periods of years, thus extending the opportunity for instructive collation. Comparisons between states have been made on the basis of unit areas of 10,000 square miles, in order to harmonize great differences in the size of state areas and make them comparable for the purposes of this study.

## Analysis of Tables Gives Tornado History

The headings and notes forming part of each of the six tables, illustrating the text, are sufficiently explicit to make these aggregations of data immediately available for the information and use of the reader. These tables present the essentials of this research work much more effectively than would result from detailed discussion. Comparisons may be instructively made between the various year-groups, and also in their relation to the grand totals for the whole period embraced in the comprehensive investigation. These groups are consecutive except in the case of the 91-year period, wherein by a double column register the actual years covered for each state record is given independently, so that the true comparative value may be instituted with the other groups.

## Bureau Will Aid in Interpreting Figures

Insurance people are quite familiar with tabulated statistical analysis, and will not hesitate to read and interpret these tables according to their several needs. We shall be able to respond to any inquiries regarding these data presented in this paper, and such communication is cheerfully invited.

As to the manner of the scientific rating of weather hazards (tornadoes, windstorms, hailstorms, thundersqualls, floods, frost and rain) that subject will be presented later in a specially prepared booklet. Attention will be given to the important items insurance-loss-experience and climatological-loss-experience, as bearing upon the problems involved in the rating of weather coverage.

## Show Absence of Forecasting Material

An examination of these tables will reveal, among other things, the absence of any basis for the assumption of the existence of weather cycles, as a means of explaining or forecasting of probable weather changes, in the hope of peering into the future, with the idea of promoting speculation or stealing a march on old dame nature. There are zones of maximum and minimum distribution of storm frequency for the reason that all states are not equally exposed to the influences of the cyclonic and anticyclonic lanes that cross the United States, from west to east, under the influence of the axial rotation of the earth.

There are also good and sufficient meteorological reasons for the year 1925 listing a greater number of tornadoes than were reported for the year 1924. Groups and years, separately considered, must be judged by their own inherent values, and comparisons made with other similar groups and separate

TABLE NO. I  
PERIODICAL RECORD OF TORNADOES

STATES	1874-1881 8 yrs.	1882-1888 7 yrs.	1889-1895 7 yrs.	1896-1902 7 yrs.	1903-1909 7 yrs.	1910-1916 7 yrs.	1917-1923 7 yrs.	1924-1925 2 yrs.	1682-1873 91 yrs.	Grand Totals 143 yrs.
Alabama	12	51	14	67	35	19	36	21	234	73
Arizona	2	1	Zero	3	1	Zero	2	2	9	54
Arkansas	8	26	23	41	76	10	5	4	199	56
California	1	1	Zero	2	1	2	2	2	9	54
Colorado	1	1	2	3	7	2	2	2	18	54
Connecticut	2	4	Zero	3	Zero	Zero	12	11	20	63
Delaware	1	5	Zero	2	1	Zero	2	2	12	54
Florida	5	6	1	4	6	3	3	2	27	54
Georgia	29	81	13	30	4	14	19	17	190	69
Idaho	Zero	1	Zero	2	1	1	1	1	6	53
Illinois	50	56	30	40	24	8	28	19	236	71
Indiana	24	57	8	28	20	10	7	5	154	57
Iowa	28	75	32	50	66	21	13	11	285	63
Kansas	55	99	53	67	69	28	9	6	380	58
Kentucky	5	24	12	13	8	6	16	12	84	64
Louisiana	11	13	10	12	13	6	6	4	71	56
Maine	3	3	3	2	Zero	Zero	1	1	13	53
Maryland	8	20	3	7	1	8	3	3	50	55
Massachusetts	7	6	1	4	2	3	12	9	34	61
Michigan	13	44	8	23	24	4	14	10	130	62
Minnesota	21	57	26	27	12	7	4	4	154	56
Mississippi	9	26	20	24	42	8	9	9	138	61
Missouri	40	86	17	52	57	10	11	9	273	61
Montana	1	1	1	3	8	6	2	2	23	54
Nebraska	14	32	22	25	36	15	3	2	147	54
Nevada	1	1	1	1	Zero	Zero	2	2	6	54
New Hampshire	3	1	1	1	1	Zero	5	4	12	56
New Jersey	5	10	7	5	2	Zero	4	4	33	56
New Mexico	1	2	1	3	8	2	3	2	20	54
New York	23	52	8	22	6	2	31	20	144	72
North Carolina	14	48	3	17	11	2	13	12	108	64
North Dakota	4	26	2	15	19	1	2	2	69	54
Ohio	21	90	9	36	23	6	25	19	210	71
Oklahoma	19	16	18	27	50	16	3	2	149	54
Oregon	1	1	1	1	Zero	2	1	1	7	53
Pennsylvania	17	57	14	22	11	7	17	10	145	62
Rhode Island	1	1	1	1	Zero	Zero	1	1	5	53
South Carolina	13	41	4	17	18	9	18	16	120	68
South Dakota	6	31	22	21	23	3	2	2	107	54
Tennessee	15	14	10	16	26	4	14	11	99	63
Texas	18	73	40	49	68	13	3	3	264	56
Utah	1	1	1	Zero	1	Zero	1	1	5	53
Vermont	2	3	1	1	Zero	Zero	1	1	8	53
Virginia	9	13	3	8	6	3	6	5	48	57
Washington	1	1	1	Zero	1	Zero	1	1	5	53
West Virginia	1	13	1	2	1	Zero	1	1	19	53
Wisconsin	11	50	10	18	11	14	18	15	132	67
Wyoming	1	1	1	4	10	1	1	1	19	53
(No. of States, 48)										
Totals	537	1330	459	821	811	276	395	306	4629	2802
Averages	11.2	27.7	9.6	17.1	16.9	5.8	8.2	6.4	96.4	58.4

years, based upon their climatological relations and their association with tornado zones. The variations in the number of tornadoes per unit area, per state, are readily explained, since state areas vary in size, as well as in exposure to the established storm lanes.

Striking excesses and deficiencies may be explained by referring them to cartographical studies of cyclonic and anticyclonic movements, eastward over the storm lanes. The tabulated matter is so arranged that the reader may indulge his inclination to speculate in underlying causes and frame expectations on various combinations of values. Even other relations may be projected, than those exhibited in the present tables. Very interesting exhibits of these tabulated values could be made by graphs and charts, but limited space forbids.

### BANK CREDIT A CONVINCING ARGUMENT

THE item of bank credit is an important approach for tornado insurance. This has been clearly brought out in certain localities that have been swept by disastrous tornadoes, such as Lorain, O., and Murphysboro, Ill. In those places, as well as in other cities, many merchants and manufacturers have found difficulty in securing an extension of credit from their local bankers without presenting tornado policies to represent adequate protection on their investments. Bankers have found that the old requirement for fire insurance and life insurance is not sufficient, as a tornado may sweep away the entire investment of the person to whom credit has been extended, leaving the bank to hold the bag.

### Can Be Used As Sales Approach

An agent can well use this as a sales approach, particularly with young and growing concerns that are in constant need of credit for expansion, though with equal force in the case of any merchant or manufacturer. Fire insurance is often increased to adequate amounts on that basis, although not often originally sold on that basis, as practically every property owner carries a certain amount of fire insurance without argument. However, in the case of tornado insurance, in a great many cases, it is still true that no tornado insurance is carried. The argument of its value in securing credit should place a policy and should place it for an adequate amount.

### Could Be Used to Increase Policies

This argument could also be used in approaching tornado policyholders with a view of increasing the coverage to an amount equal to the fire insurance protection carried. With this could be tied up the thought of bridging the gap which has existed between the fire and tornado policy by carrying an equal amount of fire and tornado insurance. The Western Union has adopted a clause intended to bridge this gap and the Eastern Union is now considering a similar clause, but to be positively assured of no argument in the event of a loss, it is still considered best to carry equal amounts of coverage under both fire and tornado sections and in the same company.

TABLE NO. II  
STATE AREAS AND TORNADO NORMALS AND DEPARTURES

States—	State Areas Compared Areas in Units of 10,000 Sq. Miles	(b) Tornado Normal Per State-Unit Area	Number of Tornadoes for Year 1924	Normal (+) or (—) Per State-Unit Area	Number of Tornadoes for Year 1925	Normal Departures (+) or (—) Per State-Unit Area	(b) Number of Tornadoes Per Unit Area
Alabama	5.1	3.21	14	+10.79	+2.12	+1.79	45.86
Arizona	11.4	0.17	Zero	-0.17	-0.01	-0.17	0.79
Arkansas	5.2	3.55	7	+3.45	+0.70	-0.55	36.35
California	15.8	0.17	Zero	-0.17	-0.01	+1.83	0.57
Colorado	10.4	0.33	1	+0.67	+0.07	+0.67	1.73
Connecticut	0.5	0.32	Zero	-0.32	-0.06	-0.32	4.00
Delaware	0.2	0.22	Zero	-0.22	-0.01	-0.22	6.00
Florida	5.9	0.50	Zero	-0.50	-0.08	+2.50	4.57
Georgia	5.8	2.75	13	+9.25	+1.60	-0.75	32.77
Idaho	8.6	0.11	Zero	-0.11	-0.13	+0.89	0.69
Illinois	5.5	3.32	4	+0.68	+0.10	+0.68	44.90
Indiana	3.4	2.70	2	-0.70	-0.20	+5.30	15.66
Iowa	5.5	4.52	2	-2.52	-0.46	+14.48	51.81
Kansas	8.1	6.55	17	+10.45	+1.29	+4.45	46.91
Kentucky	3.8	1.31	1	-0.31	-0.08	+3.69	22.10
Louisiana	4.1	1.27	3	+1.73	+0.42	+1.73	17.31
Maine	3.5	0.23	Zero	-0.23	-0.06	-0.23	3.43
Maryland	1.1	0.91	Zero	-0.91	-0.33	+7.09	45.45
Massachusetts	0.8	0.56	Zero	-0.56	-0.14	+1.44	42.50
Michigan	5.6	2.10	Zero	-2.10	-0.37	+1.90	23.21
Minnesota	8.4	2.75	3	+0.25	+0.03	+1.25	18.33
Mississippi	4.7	2.26	7	+4.74	+1.01	-1.26	29.36
Missouri	6.5	4.48	7	+2.52	+0.39	-1.48	42.00
Montana	14.4	0.42	3	+2.58	+0.18	+2.58	1.60
Nebraska	7.6	2.72	7	+4.28	+0.56	+5.28	19.34
Nevada	11.2	0.11	Zero	-0.11	-0.01	-0.11	0.53
New Hampshire	0.9	0.21	Zero	-0.21	-0.24	-0.21	13.33
New Jersey	0.8	0.59	Zero	-0.59	-0.73	-0.59	41.25
New Mexico	12.1	0.37	1	+0.63	-0.23	+0.63	1.65
New York	4.7	2.00	1	-1.00	-0.21	-1.00	30.84
North Carolina	5.1	1.69	2	+0.31	+0.06	-1.69	21.18
North Dakota	7.1	1.28	1	-0.28	-0.04	-1.28	9.71
Ohio	4.0	2.95	4	+2.05	+0.86	-0.95	52.50
Oklahoma	6.9	2.76	7	+4.24	+0.61	+9	21.59
Oregon	9.5	0.13	Zero	-0.13	-0.01	+1.87	0.74
Pennsylvania	4.6	2.34	2	-0.34	-0.08	+2.66	31.52
Rhode Island	0.1	0.09	Zero	-0.09	-0.009	-0.09	0.05
South Carolina	3.4	1.76	0.52	+5.24	+1.54	+0.24	35.30
South Dakota	7.6	1.98	1	-0.98	-0.13	+0.02	14.08
Tennessee	4.6	1.57	Zero	-1.57	-0.34	+2.43	21.60
Texas	27.4	4.80	5	+0.20	+0.00	+3.20	9.64
Utah	8.4	0.09	Zero	-0.09	-0.01	-0.09	0.60
Vermont	1.0	0.15	Zero	-0.15	-0.15	-0.15	8.00
Virginia	4.0	0.84	2	+1.16	+0.29	+0.16	12.00
Washington	7.0	0.09	Zero	-0.09	-0.01	-2.09	0.71
West Virginia	2.3	0.36	Zero	-0.36	-0.16	-0.36	8.26
Wisconsin	6.3	1.97	9	+7.03	+1.33	+3.03	24.91
Wyoming	9.8	0.36	Zero	-0.36	-0.04	+0.64	1.94
Total No. of States, 48...	6.2	1.58	0.33	133	+58.08	+9.01	145(a) +65.08 +16.41 19.76

Note:—The footings show totals and averages according to the nature of the data.  
(a) Two tornadoes occurring in the District of Columbia included in the total but not in the tabulation.  
(b) The data in these columns are based on the grand totals for one hundred and forty-three years and therefore should be distinguished from the individual record in this table for the separate years of 1924 and 1925.  
The symbol (+) signifies no change from the normal.

TABLE NO. IV  
TORNADOES IN THE UNITED STATES IN 1925

TABULATION OF TORNADOES BY STATES, MONTHS AND TOTALS

State—	Jan.	Feb.	March	April	May	June	July	Aug.	Sept.	Oct.	Nov.	Dec.	Total
Alabama	3												3
Arkansas		1									1		2
California								2e					2
Colorado						1			1				2
District of Columbia							1						1
Florida				1									1
Georgia				2									2
Idaho							1						1
Illinois			2			1b			1				4
Indiana			3	2a	2				1				8
Iowa						17	1			1			19
Kansas			1	2		5	1	1	1				11
Kentucky			3							2			5
Louisiana				1			1			1			3
Maryland				1b		2	3	2					8
Massachusetts				1						1			2
Michigan				1		2							3
Minnesota					3		1d						4
Mississippi												1	1
Missouri			1			1			1				3
Nebraska				1		7c							8
New Mexico									1				1
New York			1										1
Ohio					1		1b						2
Oklahoma		3		3			1	2					9
Oregon				1							1		2
Pennsylvania				4				1					5
South Carolina									2				2
South Dakota					1				1				2
Tennessee			3								1		4
Texas							4	4f					8
Virginia							1						1
Wisconsin				1		3	1						5
Wyoming					1								1
(g) Total	3	4	16	20	8	39	22	13	9	6	3	2	145

Symbols: a—On a tornadoic wind. b—Tornadoic wind. c—One a thunderstorm and tornadoic wind. d—Tornadoic wind. e—Two tornadoes near Rockwood, Calif., same date. f—Two tornadoic winds. g—33 states and the District of Columbia included in list of tornadoes for the year 1925.

TABLE NO. III  
NORMALS AND DEPARTURES FOR TORNADO PERIODS

TORNADO PERIODS														
States—	1682-1873, 91 Years		1874-1881, 8 Years		1882-1888 7 Years		1889-1897, 9 Years		1898-1915, 18 Years		1916-1923, 8 Years		1924-1925, 2 Years	
	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)	Normal Departure (+) or (-)
Alabama	1.71	1.50	1.50	-1.71	7.29	+4.08	1.56	-1.65	3.72	+0.52	4.38	+1.17	9.50	+6.29
Arizona	1.00	+0.83	0.25	+0.04	0.14	-0.03	0.00	-0.17	0.17	+0.00	0.12	-0.05	0.00	-0.17
Arkansas	1.25	-2.30	1.00	-2.55	5.14	+1.59	2.56	-0.99	2.38	-1.27	2.50	-1.05	5.00	+1.45
California	1.00	+0.83	0.12	-0.05	0.14	-0.03	0.00	-0.17	0.11	-0.06	0.12	-0.05	1.00	+0.83
Colorado	1.00	+0.67	0.12	-0.21	0.14	-0.19	0.22	-0.11	0.17	-0.16	0.88	+0.55	1.00	+0.67
Connecticut	1.09	+0.77	0.25	-0.07	0.57	+0.25	0.00	-0.32	0.11	-0.21	0.00	-0.32	0.00	-0.32
Delaware	1.00	+0.78	0.12	-0.10	0.71	+0.49	0.00	-0.22	0.17	-0.05	0.12	-0.10	0.00	-0.22
Florida	1.50	+1.00	0.62	+0.12	0.71	+0.21	0.11	-0.39	0.22	-0.28	0.75	+0.25	1.50	+1.00
Georgia	1.12	-1.63	3.62	+0.87	11.57	+8.82	1.44	-1.31	1.67	-1.08	0.50	-2.25	7.00	+4.25
Idaho	1.00	+0.89	0.00	-0.11	0.14	+0.03	0.00	-0.11	0.11	+0.00	0.12	+0.01	0.50	+0.39

(CONTINUED ON PAGE 32)



It is safer and less  
expensive to have  
**Windstorm Insur-**  
ance and not have a  
**Windstorm**, than it is  
to have a **Windstorm**  
and not have **Wind-**  
storm Insurance.

The spring months are  
Windstorm months, sell  
Windstorm Insurance now.

INSURE IT IN  
THE HOME INSURANCE COMPANY, NEW YORK



(CONTINUED FROM PAGE 30)

States	1682-1873, 91 Years Normal Departure (+) or (-)	1874-1881, 8 Years Normal Departure (+) or (-)	1882-1888, 7 Years Normal Departure (+) or (-)	1889-1897, 9 Years Normal Departure (+) or (-)	1898-1915, 18 Years Normal Departure (+) or (-)	1916-1923, 8 Years Normal Departure (+) or (-)	1924-1925, 2 Years Normal Departure (+) or (-)
Illinois	1.47	-1.85	6.25	+2.93	8.00	+4.68	3.33
Indiana	1.40	-1.30	3.00	+0.30	8.14	-5.44	0.39
Iowa	1.18	-2.34	3.50	-1.02	10.71	-6.19	3.56
Kansas	1.50	-5.05	6.88	+0.33	14.14	-7.59	5.89
Kentucky	1.33	+0.02	0.62	-0.69	3.43	-2.12	1.33
Louisiana	1.50	+0.23	1.38	+0.11	1.86	-0.59	1.11
Maine	1.00	-0.77	0.38	+0.15	0.43	-0.20	0.33
Maryland	1.00	-0.09	1.00	+0.09	2.86	-1.95	0.33
Massachusetts	1.33	+0.77	0.88	+0.32	0.71	-0.15	0.11
Michigan	1.40	-0.70	1.62	-0.48	6.29	-4.19	0.89
Minnesota	1.00	-1.75	2.62	-0.13	8.14	-6.39	2.89
Mississippi	1.00	-1.26	1.12	-1.14	3.71	-1.45	2.22
Missouri	1.22	-3.26	5.00	+0.52	12.29	-7.81	1.89
Montana	1.00	+0.58	0.12	-0.30	0.14	-0.28	0.11
Nebraska	1.50	-1.22	1.75	-0.97	4.57	-1.85	2.44
Nevada	1.00	+0.89	0.12	-0.01	0.14	+0.03	0.11
New Hampshire	1.25	-1.04	0.38	-0.17	0.14	-0.07	0.11
New Jersey	1.00	-0.41	0.62	+0.03	1.43	-0.84	7.78
New Mexico	1.50	-1.13	0.12	-0.25	0.29	-0.08	0.11
New York	1.56	-0.44	2.88	+0.88	7.43	-5.43	0.89
North Carolina	1.08	-0.61	1.75	-0.06	6.86	-5.17	0.33
North Dakota	1.00	-0.28	0.50	-0.78	3.71	-2.43	0.22
Ohio	1.32	-1.63	2.63	-0.32	12.86	-9.91	1.00
Oklahoma	1.50	-0.86	2.38	-0.38	2.29	-0.47	2.00
Oregon	1.00	+0.87	0.12	-0.01	0.14	-0.01	0.11
Pennsylvania	1.70	-0.64	2.12	-0.22	8.14	-5.80	1.56
Rhode Island	1.00	+0.91	0.12	-0.03	0.14	-0.05	0.11
South Carolina	1.12	-0.64	1.63	-0.14	5.86	-4.10	0.44
South Dakota	1.00	-0.98	6.25	+4.27	4.43	-2.45	0.34
Tennessee	1.27	-0.30	1.88	+0.31	2.00	-0.43	1.11
Texas	1.00	-3.80	2.25	-2.55	10.43	-5.63	4.44
Utah	1.00	+0.91	0.12	+0.03	0.14	-0.05	0.11
Vermont	1.00	+0.85	0.25	-0.10	0.43	-0.28	0.11
Virginia	1.30	+0.36	1.12	-0.28	1.86	-1.02	0.33
Washington	1.00	+0.51	0.12	-0.03	0.14	-0.05	0.11
West Virginia	1.00	+0.64	0.12	-0.24	1.86	-1.50	0.11
Wisconsin	1.00	-0.77	1.38	-0.59	7.14	-5.17	1.11
Wyoming	1.00	+0.64	0.12	-0.24	0.14	-0.22	0.11
Total No. of States, 48	1.15	-17.32	1.51	-3.23	39.6	+114.05	1.16
Note:—The footings show totals and averages according to the nature of the data. The symbol (±) signifies no change in normal.							

TABLE No. V

## TORNADOES IN THE UNITED STATES IN 1925

ESTIMATED MONEY VALUE OF PROPERTY DAMAGED & DESTROYED BY STATES AND MONTHS													
State—	January	February	March	April	May	June	July	August	September	October	November	December	Total
Alabama	Small loss		\$ 15,000							\$250,000			\$ 265,000
Arkansas		\$20,000									\$ 4,000	\$ 3,500	\$ 27,500
California								\$50,000					50,000
Colorado						\$ 100,000							100,000
Dist. of Col.									\$ 5,000				5,000
Florida				\$300,000			\$ 20,000	Small loss					\$20,000
Georgia				20,000									20,000
Idaho							Small loss						
Illinois			13,243,000			10,000			50,000				13,303,000
Indiana			2,925,000	Heavy loss	\$ 5,000				23,000				2,953,000
Iowa						1,951,000	225,000			3,000			2,179,000
Kansas			Heavy loss	12,000		310,000	Small loss	Small loss	5,000				327,000
Kentucky			1,050,000							255,000			1,305,000
Louisiana			Heavy loss				4,000			1,200			5,200
Maryland				50,000		41,000	62,000	22,000					175,000
Massachusetts				Small loss						Heavy loss			
Michigan				250,000			Small loss						250,000
Minnesota					300,000		Heavy loss						300,000
Mississippi													
Missouri			564,000			7,000			400			500,000	500,000
Nebraska				Small loss		501,000							501,000
New Mexico									Small loss				
New York			Small loss										
Ohio					100,000		500,000						600,000
Oklahoma		75,000					Heavy loss	Small loss					90,000
Oregon				15,000									15,000
Pennsylvania				10,000									10,000
South Carolina				178,000				13,000a			Small loss		191,000
South Dakota									12,000				12,000
Tennessee			250,000			200,000			10,000				210,000
Texas											10,500		260,500
Texas							127,000	Heavy loss					127,000
Virginia							Heavy loss						
Wisconsin				Small loss		102,500	Small loss						202,500
Wyoming					(b) none								
(c) Total	\$95,000	\$18,047,000	\$835,000	\$605,000	\$3,022,500	\$988,000	\$85,000	\$105,400	\$503,200	\$14,500	\$503,500	\$24,810,100	

Explanatory notes: a—About \$10,000 due to hail. b—Tornado passed over open country. c—33 states and the District of Columbia included in list of tornadoes for the year 1925.



This shows a birdseye view of the residential portion of Murphysboro, Ill., the scene of the greatest devastation and death in last year's most disastrous tornado. As a result of the worst storm which has swept the country in many decades, block after block was laid to waste leaving 8,000 people homeless in Murphysboro alone. In some sections a few splinters of wood, a small pile of bricks or two or three articles of furniture are all that remain to show the location of the former residence. (P. & A. Photo).



The tremendous force of the wind is strikingly illustrated above. In the foreground is an automobile, or rather the remains of an automobile which was carried at least 500 feet, as that was the distance to the nearest road. It was twisted and bent out of shape, the wheels were smashed and many parts of the equipment were entirely missing. As a further demonstration of the force of the wind, two heavy steel coal cars are shown in the background thrown completely off of the track by the tornado. (Photo by H. A. Fanckboner.)



**TABLE No. VI**  
**TORNADOES IN THE**  
**UNITED STATES IN 1925**  
**CASUALTIES**

State and Month	By States and Months		
	Killed	Injured	Total
Alabama—			
January .....	0	Sev.	Sev.
March .....	1	12	13
October .....	18	Many	18
Total .....	19	12	31
California—			
August .....	0	5	5
Colorado—			
June .....	0	6	6
District of Columbia—			
July .....	0	1	1
September .....	0	2	2
Total .....	0	3	3
Florida—			
April .....	5	35	40
Illinois—			
March .....	631	2062	2693
June .....	0	3	3
September .....	0	1	1
Total .....	631	2066	2697
Indiana—			
March .....	104	608	722
Iowa—			
June .....	5	64	69
Kansas—			
April .....	0	2	2
June .....	0	4	4
Total .....	0	6	6
Kentucky—			
March .....	17	150	167
October .....	2	53	55
Total .....	19	203	222
Louisiana—			
October .....	5	0	5
Massachusetts—			
October .....	0	6	6
Michigan—			
June .....	0	1	1
Minnesota—			
July .....	4	18	22
Mississippi—			
December .....	2	25	27
Missouri—			
March .....	11	141	152
Nebraska—			
June .....	3	0	3
Oklahoma—			
February .....	1	8	9
April .....	0	3	3

## Tornado Insurance Leaders

TORNADO insurance experienced a great improvement during 1925, despite the disastrous storm that struck southern Illinois, and the improvement is reflected in the returns of the ten leaders' premium income. The loss ratio of the total business of all companies was reduced from 49 percent to 36 percent and the premium income was increased 33 percent. The individual company returns show practically the same experience down the line. The leaders in premium income follow practically the same order as in 1924. The Hartford is well in the lead with a total of \$3,572,752, the Home of New York being second with \$2,210,890. All of the ten leaders wrote over \$900,000 in premiums, whereas in 1924 two of the ten leaders were in the \$600,000 group.

The premiums and losses for 1924 and 1925 of the ten leaders in premium income are as follows:

	1925		1924	
	Prem.	Losses	Prem.	Losses
Hartford .....	\$3,572,752	\$1,147,090	\$2,300,572	\$ 879,958
Home .....	2,210,890	1,112,247	1,888,071	1,157,011
Aetna .....	1,741,765	460,350	1,347,093	487,549
Continental .....	1,622,819	530,914	1,097,018	557,357
National, Conn. ....	1,462,003	665,992	1,077,600	653,264
Fidelity-Phenix .....	1,298,536	442,285	875,738	522,050
American, N. J. ....	1,209,842	408,954	779,380	433,957
Phoenix, Conn. ....	994,179	323,317	495,039	272,884
St. Paul F. & M. ....	955,253	464,298	652,396	586,626
North America .....	916,376	345,636	768,732	447,942

July .....	0	1	1
Total .....	1	12	13
Pennsylvania—			
April .....	0	6	6
Tennessee—			
March .....	29	49	78
Texas—			
July .....	1	9	10
August .....	4	12	16
Total .....	5	21	26
Virginia—			
July .....	0	7	7
Wisconsin—			
June .....	1	0	1
July .....	1	2	3
Total .....	2	3	4
Grand Totals .....	845	3296	4151

### By Months

Month	Casualties—		
	Killed	Injured	Total
January .....			
February .....	1	8	9

March .....	793	3022	3825
April .....	5	46	51
May .....			
June .....	9	78	87
July .....	6	38	44
August .....	4	17	21
September .....	0	3	3
October .....	25	59	84
November .....			
December .....	2	25	27
Total .....	845	3296	4151

### Twice the Need

Windstorms have been approximately twice as great a menace during the last five year period as compared with the previous five years, according to Farm Association figures, so that insurance against windstorm, tornado and cyclone losses is twice as important as before.

## Farm Journals an Aid

WALLACE ROGERS of Chicago, superintendent of the farm department of the Hartford Fire, in a recent communication to his agents suggested one very excellent means of approach for farm business. He first suggested that the agent tie up a local advertising campaign with that being carried on by the farm writing companies, but further pointed out that one of the most valuable means of approach is through the farm journal. Mr. Rogers pointed out that the various farm journals constitute the chief medium of information for the farmer on all subjects. The farmer turns to these journals for authentic information not only on farm news, but all matters whatsoever. For this reason, the agent who subscribes for the farm journals and makes an approach to the farmer by this medium will have an avenue of approach that will offer a community of interest and more often lead to a sale of the policy.

## A Valuable Tie-up

THE Farm Association is carrying on a nation wide educational and publicity campaign which should be of value to every agent writing tornado insurance. The campaign is directed toward fire prevention and general insurance help, pointing to the value and need of legal reserve insurance, but it applies with equal force to tornado insurance and hail insurance. Every local agent can tie up his tornado insurance with this and reap a reward in new business and also in business reclaimed from the mutuals. The farm journals are being used extensively by the Farm Association in its campaign and every farmer in the country should be reached by this campaign. Several hundred agents have already tied up this campaign with local advertising campaigns with profitable results.

*If we did not believe*  
**Windstorm Insurance**  
*is Needed*  
*Our agents would not*  
*be urged to sell it*

**Agricultural**  
Insurance Company  
of Watertown, N.Y.

# TORNADO INSURANCE STATISTICS

FIVE YEAR COMPARISON OF PREMIUMS, LOSSES AND LOSS RATIOS OF COMPANIES WRITING TORNADO, CYCLONE AND WINDSTORM INSURANCE

	1925			1924			1923			1922			1921		
	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio
Aetna	1,741,765	460,350	.26	1,347,093	487,549	.36	1,238,042	563,846	.45	1,033,125	448,184	.44	991,844	302,228	.31
Agricultural	104,229	36,522	.22	135,277	46,871	.34	115,000	30,817	.27	87,298	14,777	.17	85,916	18,928	.22
Albany	11,090	1,442	.12	9,005	3,511	.36	8,724	630	.07	5,071	102	.02	1,700	348	.20
Allemania	74,064	7,958	.11	37,599	8,569	.23	19,106	3,858	.20	12,585	853	.07	7,267	45	.06
Alliance, Pa.	146,152	30,134	.21	97,552	26,800	.28	83,177	13,967	.17	36,718	4,369	.12	34,519	5,193	.15
Alpha General				11,808	3,345	.28	23,426	3,945	.17	12,588	1,040	.08	4,324	115	.03
American F. & M.	863	3	.00												
American, N. J.	1,209,842	408,954	.34	779,389	433,957	.56	805,031	227,042	.28	622,055	249,451	.40	579,251	400,619	.69
American, N. Y.				21,574	9,944	.46	20,673	4,160	.20	20,166	3,176	.16	11,390	1,929	.17
American Alliance	31,061	14,102	.45	31,542	16,118	.48	40,006	11,869	.30	29,528	10,437	.35	26,337	7,526	.29
American Central	347,032	139,712	.40	221,209	94,551	.43	202,308	46,915	.23	107,648	35,385	.32	135,005	22,238	.16
American Eagle	324,634	102,583	.32	221,740	106,575	.48	231,277	85,327	.37	204,452	44,815	.22	191,763	11,940	.06
American Equitable	44,159	2,840	.06	6,850	420	.06	3,639	480	.13	5,079	6,570	1.16	4,643	1,190	.26
American National	6,087	1,313	.22	6,123	5,240	.86	1,996	5,455	.28	13,556	2,771	.20	9,841	1,184	.12
American Union	10,343	1,864	.18												
Anchor	7,085	2,852	.40	16,399	8,919	.54	8,576	3,463	.39	19,547	12,632	.65			
Anchor	136,695	42,275	.31	102,857	45,708	.45	143,340	30,189	.21	102,332	36,746	.36	80,288	20,075	.25
Atwood	1,419						2,810			26					
Automobile	183,237	135,279	.74	382,230	162,288	.42	268,571	35,076	.13	118,646	47,536	.40	96,820	11,179	.12
Baltic	45,806	11,268	.25	27,409	17,461	.63	29,571	7,263	.24	27,328	2,491	.09	18,454	1,501	.08
Baltimore American	19,734	3,442	.17	7,295	1,000	.14	1,699	443	.26	659	541	.82	1,131	412	.38
Bankers & Merch.	21,906	3,820	.17	21,775	12,121	.57	31,013	5,610	.18	19,705	104	.05			
Bankers & Ship.	55,830	50,059	.90	39,517	39,338	.97	44,612	8,034	.18	30,453	2,668	.09			
Boston	195,524	63,784	.33	106,091	48,813	.46	131,203	32,614	.25	87,670	40,489	.46	15,485	1,190	.08
British Amer.	66,405	9,632	.15	59,892	5,414	.09	24,595	3,104	.13	12,713	943	.07	78,457	19,066	.24
Birmingham, Ala.	1,002												8,957	164	.02
Buffalo	48,873	9,889	.20	44,813	10,538	.24	28,021	4,396	.16	16,744	2,968	.18	14,979	772	.05
Caledonian	61,956	46,971	.76	37,606	13,764	.37	40,063	7,884	.20	21,627	4,053	.19	17,118	3,914	.23
Caled. American	6,822	2,138	.31	5,434	1,693	.31	4,311	636	.15	2,631	27	.01	851		
California	45,763	9,503	.21	34,442	10,477	.30	26,820	2,308	.09	18,516	9,380	.50	14,334	5,124	.36
Camden	335,474	104,485	.31	209,115	67,556	.32	233,849	25,022	.11	92,115	31,660	.33	88,579	12,237	.14
Capital, N. H.	1,363			2,151	1,016	.47	7,387	434	.06	1,020	83	.08	631	28	.04
Central, Md.	13,939	5,606	.42	11,362	3,475	.30	8,159	2,762	.34	5,021	2,342	.47	4,187	1,199	.29
Central States				46,641	13,320	.29	19,747	134	.07	7,953	6,929	.88	23,922	4,485	.19
Chicago F. & M.	71,336	24,765	.35	28,859	14,573	.50	30,517	4,905	.16	21,622	1,080	.05			
Christiania Gen.	49,224	9,774	.20	28,859	14,573	.50	51,777	22,420	.43	41,105	21,731	.53	56,837	18,092	.32
City, Pa.	1,018	743	.73	6,054	3,400	.56	5,046	1,401	.28	3,292	764	.23	1,747	348	.20
City of New York	64,079	34,031	.53	58,305	10,391	.18	38,501	4,794	.12	36,936	17,394	.47	16,194	844	.05
Citizens, Mo.	34,229	13,429	.39	23,630	11,688	.49	25,238	1,564	.06	37,597	9,407	.25	15,200	5,872	.39
Columbia, N. J.	27,101	7,020	.26	22,760	8,837	.39	20,508	4,721	.23	14,211	1,647	.12	10,955	666	.06
Columbia, O.	12,575	184	.01	4,300	228	.05	2,103	145	.07						
Columbian Nat.	47,331	10,646	.22	32,317	9,959	.31	1,440	6,941	.48	41,374	5,142	.12	25,457	9,018	.35
Commercial Union, Eng.	367,594	190,154	.52	202,817	255,295	.97	311,253	109,060	.35	249,080	61,267	.25	180,003	167,506	.93
Commercial Union, N. Y.	76,441	22,649	.30	49,252	49,582	1.01	46,910	18,336	.39	43,790	7,612	.17	32,401	24,514	.76
Commonwealth	119,583	60,103	.50	81,458	15,644	.19	69,510	13,172	.19	52,446	24,544	.47	34,798	5,248	.15
Commonwealth, Kan.	881														
Concordia	192,849	54,216	.28	133,335	49,708	.37	117,303	33,478	.28	107,450	24,884	.23	79,379	18,739	.24
Connecticut	190,439	208,255	1.09	554,113	392,639	.71	591,447	255,662	.43	529,145	209,668	.40	392,825	176,239	.45
Consolidated	21,772	16,329	.75	19,577	2,288	.12	15,264	2,236	.15	12,500	912	.07	10,239	341	.03
Continental	1,622,810	550,914	.33	1,097,018	567,357	.51	1,153,467	502,976	.44	990,998	343,832	.34	930,050	229,861	.25
County, N. H.	20,884	2,300	.11	14,277	2,610	.18	10,144	861	.08	8,214	244	.03			
Cuban Nat.	1,360	49	.00	2,482	318	.13	586	1,363	.23	3,679	1,553	.42	2,037		
Detroit F. & M.	59,511	6,912	.12	31,522	4,767	.15	26,838	2,278	.08	19,476	1,711	.09	10,379	2,401	.23
Detroit National	6,250	811	.13	3,429	639	.19	1,549	1,549	.13	1,605	316	.21	910	22	.03
Dixie Fire	19,300	2,626	.14	11,737	2,177	.18	11,590	3,344	.29	13,199			5,525		
Delaware	11,023	476	.04												
Dubuque F. & M.	114,111	47,344	.41	77,974	24,431	.31	67,988	12,849	.19	56,172	11,003	.20	39,293	5,314	.14
Eagle, N. Y.	18,300	1,699	.09	12,638	487	.04	3,465								
Eagle, N. J.	51,531	8,669	.17	13,232	12,251	.92	20,454	7,064	.35	13,362	2,577	.19	6,028	1,300	.22
Eagle, Star & B. D.	54,809	9,802	.18	36,326	17,379	.48	76,221	15,745	.20	68,480	13,350	.20	33,988	10,828	.32



When wind assumes tornado velocity, concrete or steel cannot stop it. Above is shown the ruined steel sprinkler tank equipment of the Heinz Pickle Plant at Princeton, Ind., destroyed in the disastrous storm in March of last year. These great steel beams were twisted and bent as though they were of tin. In the mining sections not far distant from here, many operators incurred great losses on similar steel structural work in this storm. Particularly at the Orient mine at West Frankfort, Ill., a large part of the recently completed steel structural work was leveled to the ground. (Photo by H. A. Fanckboner).



This photo shows the ruins of the Longfellow School at Murphysboro, Ill., which was in the direct path of the tornado that swept through that city and all of southern Illinois and Indiana in March of 1925. There were 245 pupils in the schoolhouse when the storm hit. Those on the lower floor were able to escape in most cases with injuries only, but the pupils on the upper floor were buried beneath the crumbling walls and the death toll in this building was heavy. Structures of brick, steel, concrete and all manner of material were swept away before the wind. (P. & A. Photo).



Loss Ratio  
33  
22  
20  
15  
10  
9  
8  
7  
6  
5  
4  
3  
2  
1  
0

	1925			1924			1923			1922			1921		
	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio	Prem.	Losses	Loss Ratio
East & West.....	33,594	6,689	.20	23,592	10,010	.42	7,165	61	..	1,733	10	.01	208	4,791	.35
Employers, Mass.....	20,500	3,386	.16	13,140	1,635	.12	7,962	4,945	.63	12,520	2,866	.23	13,400	1,000	.07
Equitable F. & M.....	176,900	38,609	.22	26,929	12,727	.47	24,885	5,210	.21	..	..	..	..	..	..
Equitable, S. C.....	4,052	278	.07	1,651	681	.41	..	..	..	..	..	..	..	..	..
Eureka-Sec.....	54,543	6,346	.11	30,591	2,271	.07	20,905	1,041	.05	11,072	..	..	2,048	133	.07
First American.....	598	56,733	..	152,700	55,709	.36	146,047	14,303	.10	135,052	21,411	.16	127,311	40,575	.32
Farmers, Pa.....	6,864	735	.11	2,407	879	.36	5,814	183	.03	1,096	179	.16	200	1	.01
Federal, N. J.....	65,447	5,080	.08	48,511	24,199	.50	56,194	2,347	.04	43,279	10,054	.24	21,834	5,158	.24
Fidelity, S. C.....	5,088	484	.10	11,390	6,108	.53	7,088	4,367	.61	4,847	450	.09	20,840	2,951	.14
Fidelity Union, Tex.....	31,106	4,499	.14	15,105	1,944	.13	10,330	..	..	..	..	..	..	..	..
Fidelity-Phoenix.....	1,298,536	442,285	.34	875,738	522,050	.59	835,848	512,654	.61	764,333	426,729	.56	677,000	249,877	.37
Fire Association.....	275,573	136,596	.49	192,383	82,893	.43	208,388	44,065	.21	240,114	40,414	.17	185,462	37,858	.20
Fire Reinsurance.....	60,135	16,113	.27	49,576	13,538	.27	42,133	15,004	.36	46,906	19,030	.41	38,222	10,354	.27
Firemen's, N. J.....	324,222	74,416	.23	235,378	101,412	.43	265,549	55,555	.27	199,904	40,626	.21	132,097	30,208	.23
Firemen's Fund.....	536,075	191,314	.36	408,500	167,206	..	..	..	..	..	..	..	..	..	..
First Reinsurance.....	..	..	..	7,719	4,714	.61	9,070	2,435	.27	4,629	1,481	.32	6,457	3,870	.60
Franklin.....	109,584	70,973	.65	166,777	33,092	.21	113,110	17,714	.16	58,297	14,150	.24	44,066	9,919	.22
George Washington.....	6,010	578	.10	4,051	82	.01	1,904	439	.23	321	8	.03	..	..	..
Georgia Home.....	8,814	2,477	.28	4,253	88	.02	..	..	..	..	..	..	..	..	..
Girard F. & M.....	94,603	19,059	.20	69,121	28,196	.41	63,387	8,049	.13	43,231	7,312	.17	32,372	2,058	.06
Glen Falls.....	278,421	65,544	.24	194,817	52,813	.27	184,501	32,419	.18	142,904	19,580	.14	91,112	10,524	.11
Globe, Pa.....	1,453	26,585	..	9,447	2,615	.27	9,515	1,699	.18	7,702	3,126	.40	4,531	610	.13
Globe & Rutgers.....	468,774	192,294	.41	240,343	173,153	.70	377,623	118,380	.31	479,422	115,390	.24	280,615	92,236	.32
Granite State.....	25,806	2,622	.10	17,958	3,534	.20	12,600	2,321	.18	5,785	902	.16	1,540	725	.47
Great Western.....	..	..	..	21,307	..	..	8,034	..	..	701	..	..	410	..	..
Great American.....	823,414	322,953	.39	588,176	357,120	.61	797,916	285,203	.36	633,473	188,813	.30	529,065	183,532	.35
Great Republic.....	..	..	..	..	..	..	..	..	..	2,748	125	.06	5,040	177	.03
Great Lakes.....	12,330	2,385	.19	19,337	2,615	.13	10,652	1,539	.14	5,618	85	.02	2,322	14	.01
Great Un. F. & M.....	1,909	12	..	465	..	..	762	14	.02	735	..	..	495	7	.02
Greensboro.....	5,284	398	.08	3,235	62	.02	2,750	439	.16	2,605	8	.01	..	..	..
Guaranty, R. I.....	3,386	4	..	..	..	..	..	..	..	..	..	..	..	..	..
Gulf, Texas.....	2,483	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Hamilton.....	7,097	7,390	1.0	13,684	3,271	.24	10,771	16	..	4,790	409	.09	16,998	2,191	.13
Hampton Roads.....	6,372	2,353	.37	4,800	3,490	.73	4,210	1,288	.31	6,882	..	..	..	..	..
Hanover.....	240,004	111,594	.46	196,070	65,188	.33	190,254	40,017	.21	157,964	51,332	.32	132,094	63,853	.48
Hartford.....	3,572,732	1,147,090	.32	2,300,572	879,958	.38	2,407,222	839,959	.35	1,798,351	440,124	.25	1,391,982	404,384	.31
Hawkeye Sec.....	..	..	..	..	..	..	40,924	16,568	.40	28,533	3,398	.12	18,325	3,616	.20
Henry Clay.....	..	..	..	..	..	..	..	..	..	..	..	..	..	..	..
Home F. & M.....	57,045	18,974	.33	39,046	17,188	.43	34,525	8,285	.24	23,077	14,919	.63	15,948	1,539	.10
Home, Ark.....	96,500	32,415	.34	70,786	28,262	.40	116,421	12,183	..	61,436	3,329	.05	27,406	665	.02
Home, N. Y.....	2,210,890	1,112,247	.50	1,888,071	1,157,011	.61	1,990,622	964,035	.48	1,577,405	622,848	.39	1,379,275	427,452	.31
Hudson.....	101,861	35,927	.35	67,396	2,030	.16	59,457	14,918	.25	37,834	12,464	.34	44,571	9,587	.21
Illinois.....	17,855	3,228	.18	12,583	2,030	.16	8,924	517	.06	3,604	495	.14	2,737	178	.07
Imperial.....	34,095	5,722	.16	8,075	10,334	1.30	47,027	6,936	.15	20,853	4,130	.20	17,242	2,770	.16
Importers & Exp.....	34,288	8,838	.26	54,598	15,458	.28	16,097	2,971	.18	18,438	4,689	.25	8,537	102	.01
Industrial.....	17,481	3,319	.19	11,735	1,100	.09	6,111	888	.15	4,349	849	.20	2,507	145	.06
Ins. Co. of N. A.....	916,376	345,636	.38	708,732	447,942	.63	805,888	268,986	.33	557,474	215,322	.39	508,907	153,064	.30
Ins. Co. of Pa.....	74,319	44,817	.60	49,564	26,202	.53	74,379	21,216	.28	67,020	14,821	.22	61,233	11,068	.18
International, N. Y.....	125,404	31,718	.25	109,409	26,922	.25	71,835	25,631	.36	63,103	20,281	.32	68,900	16,640	.24
Inter-Ocean Reins.....	84,810	38,284	.45	78,655	23,674	.30	129,543	12,189	.09	13,070	2,737	.21	20,252	381	.02
Interstate, Mich.....	1,071	17	..	836	811	.97	1,299	805	.62	1,506	225	.14	1,136	437	.38
Iowa Mfrs.....	29,373	12,557	.43	24,473	9,590	.39	24,742	1,453	.06	22,064	2,774	.12	24,835	3,381	.14
Iowa National.....	46,226	10,802	.23	34,945	11,650	.33	41,116	2,504	.06	35,345	5,061	.14	28,851	5,974	.21
Iroquois, Ill.....	1,480	4,452	.30	1,269	500	.39	1,297	..	..	..	..	..	..	..	..
Jupiter Gen.....	9,937	4,522	.46	20,156	631	.03	..	..	..	..	..	..	..	..	..
Knickerbocker.....	30,096	1,766	.06	4,756	200	.04	100	281	..	4,283	5,998	1.40	..	..	..
La Fayette.....	3,322	409	.12	4,779	494	.10	7,861	835	.11	5,005	32	.01	2,311	179	.08
La Salle.....	4,871	29	..	—667	266	..	3,290	93	.03	53	10	.20	..	..	..
Law, Union & Rock.....	44,087	11,231	.25	28,638	4,716	.16	25,045	4,839	.19	9,931	1,627	.16	12,242	346	.02
Liberty, Mo.....	..	..	..	..	..	..	31,515	4,720	..	19,307	1,266	.06	13,636	1,040	.08
L. & L. & G.....	493,452	186,167	.38	417,500	258,034	.62	406,051	191,380	.41	352,943	127,777	.36	233,280	124,301	.53
London & Lanc.....	143,024	19,738	.14	106,857	25,961	.24	104,166	26,731	.23	78,208	14,053	.18	67,500	9,424	.14
London & Prov.....	9,416	4,846	.51	5,140	552	.11	5,603	963	.17	2,378	143	.06	..	..	

